

EXHIBIT 94



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A Survey of Acquisition Costs of Pharmaceuticals in the State of California

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EXHIBITS

Chapter

1

Executive Summary

Introduction

Under contract to the California Department of Health Services, Myers and Stauffer LC performed a study of the adequacy of Medi-Cal pharmacy reimbursement rates. A key piece of pharmacy reimbursement is the component for pharmaceutical ingredient cost. A discussion of the adequacy of Medi-Cal reimbursement rates would not be complete without an analysis of Medi-Cal's allowance for ingredient cost compared to the actual cost incurred by pharmacies to acquire drug products.

This report includes a narrative of the methodologies and findings relevant to the survey of pharmaceutical acquisition costs. As there is significant detail required to present the methodology and findings of the study of pharmacy acquisition cost, the acquisition cost aspect of the comprehensive study of Medi-Cal pharmacy reimbursement is presented independently. A separate report issued by Myers and Stauffer LC includes discussion of the survey of pharmacy dispensing cost and incorporates the findings from both the surveys of pharmacy dispensing and acquisition cost into a general discussion of the adequacy of Medi-Cal pharmacy reimbursement rates.

Drug acquisition cost comparisons were compiled and analyzed for the top 2,000 drug products (as measured by Medi-Cal expenditures in calendar year 2000) of the Medi-Cal pharmacy program. This sample of drug products constitutes over 90% of the payments made by the Medi-Cal pharmacy program. A random sample of 2,010 pharmacies participating in the Medi-Cal program were asked to participate in the study by submitting pharmaceutical purchase invoices for one month from calendar year 2000. Invoices were received from a sufficient representative sample of Medi-Cal participating pharmacies and analyzed. Pharmacies that responded included an appropriate mix based upon factors relating to retail versus institutional settings, independent versus chain affiliation, urban versus rural location, and certain pharmacy specialties. The actual acquisition cost data shown on invoices obtained from California pharmacy providers was compared to the standardized Average Wholesale Price (AWP) and Direct Price (DP). Actual acquisition costs were also compared to the Federal Upper Limit (FUL) for those multi-source drugs with federal maximum

allowable costs, and to the California Maximum Allowable Ingredient Cost (MAIC) for those multi-source drugs with state maximum allowable costs.

Summary of Findings

The significant findings of the study are as follows:

- For the 272 pharmacies that provided invoices from external wholesalers, typical acquisition costs for single source drugs ranged from 82% to 84% of the AWP. The average acquisition cost was 82.8%, with a standard deviation of 1.2%.
- Some of the pharmacies in the sample were institutional providers that dispensed prescriptions to patients in long-term care or other institutional settings. Acquisition costs at these pharmacies for single source drug products averaged 82.1% of the AWP, as compared to 82.9% for pharmacies that dispensed prescriptions in traditional retail settings.
- Of the sampled 1,000 single source drugs, 796 drug products were matched to one or more purchases. Of these 796 products, typical acquisition costs for single source drugs ranged from 79% to 84% of the AWP with an average acquisition cost of 81.7% of the AWP. The average actual drug acquisition cost is considerably less than the Department's current ingredient cost allowance of AWP minus 5.0% (95% of the AWP).
- For the pharmacies in the sample with external invoices, the average acquisition cost for single source drug products paid with a Direct Price (DP) was 94.5% of the DP, with a standard deviation of 2.3%.
- The acquisition costs for multi-source drugs exhibited much greater variation, but averaged 56.6% of the AWP (mean weighted by Medi-Cal volume) for drugs without FUL prices. For multi-source drugs with FUL prices, the weighted average acquisition cost was 12.7% of the AWP and 38.7% of the FUL.

Conclusions

There are several factors that should be considered in determining an appropriate Medi-Cal pharmacy reimbursement formula besides dispensing and drug acquisition costs incurred by pharmacies. These factors include market dynamics (i.e., the rates accepted from commercial third-party payers) balanced with the need to maintain sufficient access to services for Medi-Cal recipients throughout the state.

Findings from this study indicate that the current pharmacy ingredient reimbursement rate of AWP less 5% provides payments in excess of the costs

actually incurred by California pharmacies in acquiring pharmaceutical products for Medi-Cal recipients. In fact, the acquisition cost study findings indicate that for a “typical” prescription, a pharmacy’s margin on ingredient reimbursement is approximately \$10. These margins on ingredient cost must be considered in tandem with an analysis of pharmacy dispensing cost and dispensing fee reimbursement in order to fully evaluate the issue of the adequacy of Medi-Cal pharmacy reimbursement. In our separate report, Myers and Stauffer has incorporated the findings from this acquisition cost study into a more comprehensive analysis of Medi-Cal pharmacy reimbursement.

Chapter

2**SURVEY OF ACQUISITION COSTS**

The largest component of pharmacy reimbursement is payment to pharmacies for prescription drug ingredient costs. Most states base ingredient reimbursement on the Average Wholesale Price (AWP), which is available from published sources. Recent studies, including those performed by Myers and Stauffer LC in other states, have shown that pharmacies are able to purchase drugs at prices that are significantly below AWP. To determine the level of discount from AWP currently available to California pharmacies for the drugs most commonly dispensed to Medi-Cal recipients, Myers and Stauffer LC performed a study of drug acquisition costs.

Methodology**Development of Methodology**

The study of acquisition cost is based upon a simple comparison of prices paid by pharmacies with the AWP in effect at the time of the drug purchase. Drug purchase prices for each pharmacy were obtained from the pharmacy's own invoices. Myers and Stauffer LC has used this method to study pharmaceutical acquisition costs in several previous surveys. Such a technique has also commonly been used by the Office of the Inspector General (OIG) of the U.S. Department of Health and Human Services.¹ Results of previous studies performed by Myers and Stauffer LC and the OIG are included in Appendix B of this report.

¹ The OIG has also used price lists obtained directly from wholesalers. The process to obtain such price lists could face legal obstacles and does not yield as compelling evidence of the actual price paid by a pharmacy as could be obtained from an invoice.

Drug Product Selection

Myers and Stauffer obtained a summary of the utilization of the pharmacy program by drug product from the Department of Health Services. Using this summary, a list of the top 1,000 single source and top 1,000 multi-source drug products ranked by total reimbursement for the calendar year ending December 31, 2000, was created. The drug summary file contained the following data elements summarizing utilization for each drug product:

- Number of prescriptions
- Number of units
- Dollar amount reimbursed

Myers and Stauffer also obtained the following price information for each drug product for the sample months of May and November 2000:

- Average Wholesale Price
- Direct Price (if applicable)
- Federal Upper Limit price (if applicable)
- California Maximum Allowable Ingredient Cost (if applicable)

As summarized in the table below, the 2,000 drug products analyzed represent approximately 93% of California Medi-Cal drug reimbursement.

Table 2.1 Utilization Overview for Drugs in Sample

Drug Classification	Total Program Reimbursement¹	Program Reimbursement for Sampled Drug Products¹	Percent of Top Drugs in Total Program Reimbursement
Single Source Products	\$1,710	\$1,694	99%
Multi-Source Products	\$655	\$508	77%
Total	\$2,365	\$2,202	93%

¹ In millions

Pharmacy Sample Selection

Myers and Stauffer received a pharmacy provider file from the Department of Health Services that included the following information:

- Provider Numbers
- Provider Names

- Provider Address and Phone Number Information
- Prescription Claim Count for Calendar Year 2000
- Prescription Claim Dollar Amount for Calendar Year 2000

There were a total of 5,902 pharmacies included in the provider file.

Myers and Stauffer also received a sample of pharmacy claims for the months of May and November 2000.

Based on an analysis of predicted statistical variation, expected participation rates and other considerations, Myers and Stauffer developed a survey plan that involved soliciting participation in the acquisition cost survey from approximately 2,000 pharmacies. The selection criteria for the sample was primarily random, however certain stratification protocols were implemented to promote adequate representation of various pharmacy specialties. Myers and Stauffer determined that certain pharmacy traits were broadly distributed, and were therefore appropriately captured in adequate numbers in a random sample. There were also some attributes for which better representation was obtained via a stratification process.

After importing the pharmacy provider data into internal database formats, Myers and Stauffer performed a process of making preliminary identifications of pharmacy specialties. Various “flags” were created for the purpose of performing appropriate sample stratification. Pharmacy attributes that were flagged are as follows:

- **Chain versus Independent Affiliation**
Myers and Stauffer made a preliminary determination of chain versus independent based on a preliminary visual inspection of the provider file. As applicable, Myers and Stauffer staff also utilized their experience with and exposure to various national chain organizations. For the purposes of this project, a chain was considered an entity with five or more stores nationally.
- **Urban versus Rural Location**
Myers and Stauffer used zip code data to crosswalk the pharmacy location to individual California counties. A county was deemed to be “urban” based on its location in a “Metropolitan Statistical Area” (MSA) as used by the Bureau of the Census. Other counties were considered “rural.” Pharmacies not physically located in the state of California were not classified as to urban or rural status.
- **Long-Term Care Pharmacy Provider Status**
The pharmacy provider data included “place of service” codes. One code is used to identify claims dispensing in a nursing facility. Myers and Stauffer used these codes to determine the ratio of prescriptions dispensed to Medi-Cal recipients that resided in long-term care facilities. Pharmacies that

dispensed 50% or more prescriptions in a long-term care setting were identified. A few additional providers were also classified based on name recognition of the provider.

- **Provision of Intravenous Prescription Services**

Myers and Stauffer used the sample of pharmacy claims data to identify certain pharmacies that dispensed a significant portion of intravenous medications.

- **Provision of Other Compounding Services**

Myers and Stauffer received lists of pharmacies that provide compounding services from the Department of Health Services, a local pharmacist recommended by the Department, and from the web site of the International Academy of Compounding Pharmacists (IACP)².

Low Volume Exclusion from Pharmacy Sample

Prior to selecting any pharmacies into the random sample, Myers and Stauffer excluded all pharmacies that dispensed fewer than 250 prescriptions during calendar year 2000. Approximately 1,200 pharmacies were excluded based on this criteria. It has been our experience that these pharmacies with low volume of Medi-Cal prescriptions often are out-of-state, newly opened, or recently closed pharmacies. As such, these pharmacies do not represent the norm of Medi-Cal participating providers. Additionally, our experience has shown that due to their low Medi-Cal volume, many of these pharmacies would be reluctant to spend the time and effort required to participate in the survey. These pharmacies also have little impact on the overall cost structure of pharmacies in the Medi-Cal pharmacy program (and conversely are often only minimally impacted by the Medi-Cal program). Collectively, all of these low Medicaid volume pharmacies dispensed less than one-quarter of one percent of Medi-Cal prescriptions in calendar year 2000.

Stratification Protocols Based on Pharmacy Specialty

Based on our preliminary analysis, there were certain specialties that were not broadly distributed among the pharmacy population (exclusive of the low Medi-Cal volume pharmacies previously described). In particular we noted that there were 201 pharmacies that met the criteria for the long-term care pharmacy provider designation. Also, there were only 100 pharmacies identified that dispensed intravenous prescriptions as a significant portion of their volume. There were 63 pharmacies designated to be the compounding specialty. Myers and Stauffer believed that in order to ensure adequate representation of specialties represented by these flags, 100% of the pharmacies so identified should be included in the sample.

² "<http://www.iacprx.org>"

Stratification Protocols Based on Pharmacy Location

It was noted that there were only 200 pharmacies located in counties designated as “rural.” Due to this relatively small number of rural providers, Myers and Stauffer included 100% of these pharmacies in the sample. Additionally, Myers and Stauffer developed a computer algorithm to ensure that each California county was represented by at least five pharmacies in each county (or all eligible pharmacies in the case of a county with less than five pharmacies).

Random Selection

After including the stratification groups identified previously, a computer algorithm randomly selected from the remaining pharmacies for inclusion in the survey sample.

Survey Procedures

The final sample of Medi-Cal pharmacy providers selected by the above process included 2,010 pharmacies. All pharmacies were sent a letter from the California Department of Health Services informing them that Myers and Stauffer would be performing a survey of pharmacy acquisition cost (see Exhibit 1). Pharmacies also received a request that they copy drug purchase invoices covering a one-month period. One-half of the pharmacies were requested to send invoices from May 2000, and the other half from November 2000 (see Exhibit 2). Pharmacies were requested to submit invoices for drug purchases from both wholesalers and manufacturers. This request to submit invoices was issued in conjunction with an additional request for the pharmacy to participate in the dispensing cost survey.

A small number of pharmacies indicated an inability to participate in the acquisition cost survey due to being recently opened or experiencing a change of ownership in the last six months (which precluded financial records from being available for the requested period). Additionally, there were a limited number of invoices received that did not meet the criteria for use in the survey. The primary problems with these invoices included invoices from the incorrect year or month, purchase summaries that encompassed an extended time period, or invoices that lacked a standardized identifier (i.e. NDC or wholesaler item code).

Ultimately, usable invoices were received from 491 of the selected pharmacies after follow-up efforts to encourage participation. Characteristics of the total sample of 491 pharmacies compared to the study’s eligible population are presented in Table 2.2.

Table 2.2 Sample Pharmacy Characteristics

Pharmacy Trait	EAC Study Eligible Population¹	Pharmacies Included in EAC Analysis
Number of Pharmacies	4,673	491
Average Annual Medi-Cal Volume	10,243	12,090
Medi-Cal Volume Standard Deviation	17,977	16,409
Percent Chain	51.0%	50.1%
Percent Urban	95.5%	89.0%
Percent Institutional	4.3%	3.7%
Percent Intravenous	2.1%	2.4%
Percent Compounding	1.4%	2.6%

¹ Excludes pharmacies with Medi-Cal volume less than 250 prescriptions annually.

For the traits listed in Table 2.2, the sample of 491 pharmacies was tested to determine if it was representative of the population of Medi-Cal provider pharmacies. Since the response rate of the sample pharmacies was less than 100 percent, the possibility of bias in the responding sample should be considered. To measure the likelihood of this possible bias, chi square (χ^2) tests were performed.

Among other attributes, a chi square test was used to determine whether the final sample was independent with respect to traits that were assumed to be broadly distributed. It was determined that the sample was representative with regard to chain and independent pharmacy affiliation status. Other characteristics of the final sample are represented in slightly different proportions than exist in the population of Medi-Cal provider pharmacies due to the stratification techniques used in the sample selection process. Due to the use of these stratification protocols, further analysis is indicated to determine whether there is a significant difference in acquisition costs of the various pharmacy specialties. This issue is further addressed in the "Analysis and Findings" section of this chapter.

From the invoices received, the drug purchase date, NDC number, drug name, strength, package size, quantity purchased, and extended price paid were entered into a database. Myers and Stauffer reviewed and edited the database, eliminating data entry errors. Data was input from 372,341 invoice line items (representing purchases of approximately \$42 million). Of these, there were 211,456 line items that matched the list of 2,000 drugs. Acquisition cost data for 1,814 of the 2,000 sample drug products is included in the study.

Many chain pharmacies operate a product warehouse that acts as a storage and distribution center for member chain stores and often operates as a profit center. Some of the chains submitted internally generated invoices for their drug purchases. The prices on these internal invoices reflected the warehouse cost of drugs and generally not true arms-length transactions. Although these invoices

may include legitimate warehousing operational costs, they may also include a profit factor.

There were 215 chain stores in the sample of 491 that submitted internally produced invoices for the vast majority of drug purchases. The drug prices reflected on these invoices created some concerns regarding their validity. These concerns could not always be resolved during conversations with the submitters; therefore, many of the following findings are reported exclusive of the data from these stores' internal invoices.

Analysis and Findings

Invoice drug purchases were separated into the single source and multi-source categories for analysis. These two groups have distinctly different purchase discounts from AWP. Discounts for single source drug products were generally smaller than discounts for multi-source products. Additionally, the range of discounts for single source products was smaller than the range exhibited by multi-source products.

The analysis of acquisition cost focused on two areas:

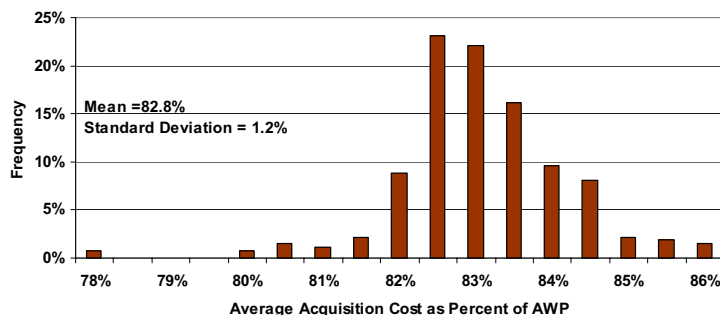
- Distribution of acquisition cost by drug product
- Distribution of acquisition cost by pharmacy and pharmacy type

Single Source Drug Products

The following observations resulted from our analysis of the acquisition cost of single source drugs:

- For the 272 pharmacies³ that provided invoices from external wholesalers, typical acquisition costs for single source drugs ranged from 82% to 84% of the AWP. **The average acquisition cost was 82.8%, with a standard deviation of 1.2%** (see Chart 2.1 and Exhibits 3 and 9).

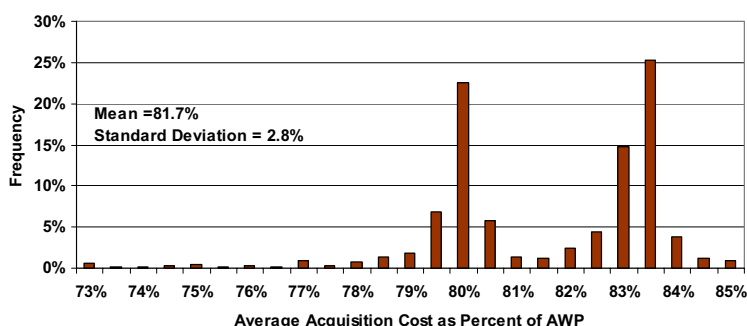
**Chart 2.1 Acquisition Cost by Pharmacy
Single Source Products**
(Based on External Invoices Only)



³ Of the 276 pharmacies with external invoices, there were observations of *single source drugs* from only 272 pharmacies.

- Including pharmacies that provided invoices from an internal wholesaler, the average acquisition cost for single source drugs was 83.5% of the AWP, with a standard deviation of 1.3%.
- Some of the pharmacies in the sample were institutional providers that dispensed prescriptions to patients in long-term care or other institutional settings. Acquisition costs at these pharmacies for single source drug products averaged 82.1% of the AWP, as compared to 82.9% for pharmacies that dispensed prescriptions in traditional retail settings (see Table 2.4 and Exhibit 9).
- Of the sampled 1,000 single source drugs, 796 drug products were matched to one or more purchases. Of these 796 products, typical acquisition costs for single source drugs ranged from 79% to 84% of the AWP with an average acquisition cost of 81.7% of the AWP (based on observations from external invoices only – see Chart 2.2 and Exhibit 9).
- The distribution of acquisition costs as a percent of the AWP for single source drug products was bi-modal (see Chart 2.2). Many products had acquisition costs that clustered near the 79% - 81% and 82% - 84% ranges. Drugs of all types fell into each of these ranges and the bi-modal distribution appeared to be a result of manufacturer-specific pricing methodologies (see Exhibit 7).

Chart 2.2 Acquisition Cost by Drug Product
Single Source Products
(Based on External Invoices Only)



According to the current Medi-Cal pharmacy reimbursement methodology, drugs from certain labelers are paid on the basis of their Direct Price (DP) rather than the AWP. Myers and Stauffer included an analysis of drug product acquisition cost as compared to the DP as part of the acquisition cost study. Significant observations from this analysis were:

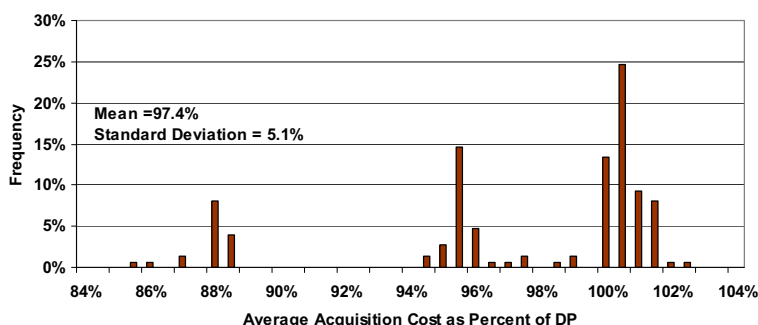
- For the 265 pharmacies⁴ that provided invoices from external wholesalers, typical acquisition costs for single source drugs paid with a DP ranged from 93% to 96% of the DP (the 20th and 80th percentiles, respectively). **The**

⁴ Of the 276 pharmacies with external invoices, there were observations of *single source drugs paid with a direct price* from only 265 pharmacies.

average acquisition cost was 94.5%, with a standard deviation of 2.3% (see Exhibit 16).

- Of the sampled 1,000 single source drugs, 151 drug products paid with a DP were matched to one or more purchases. Of these 151 products, typical acquisition costs for single source drugs ranged from 88% to 101% of

Chart 2.3 Acquisition Cost by Drug Product
Single Source Products Paid with a Direct Price
(Based on External Invoices Only)



the AWP with an average acquisition cost of 97.4% of the DP (based on observations from external invoices only – see Chart 2.3 and Exhibit 16).

- There was considerable variation in acquisition cost as a percent of the DP associated with the product lines of various drug labelers (see Exhibit 8). There were five labelers with Direct Prices roughly equal to 100% of pharmacy acquisition cost. Medi-Cal pharmacy payments for single source drugs from these five labelers constitute roughly 50% of the Medi-Cal payments for single source drugs paid with a DP. Three labelers had Direct Prices that averaged 95% of pharmacy acquisition cost (roughly 30% of payments). Finally, one labeler had Direct Prices that were equal to approximately 88% of pharmacy acquisition cost (roughly 20% of payments).
- The variation between drug labeler's direct prices was significantly more pronounced than labeler-specific differences in the relationship between pharmacy acquisition cost and the AWP. Over 90% of labelers' average discount from the AWP fell within the range of 78% to 85% of the AWP (compare Exhibit 7 and 8).

Multi-Source Drug Products

Although multi-source drug products are an important part of the Medi-Cal drug program, they account for a much smaller portion of program expenditures than single source products. Table 2.3 summarizes findings for multi-source products. A more in-depth treatment of multi-source product acquisition cost is included as an appendix.

Table 2.3 Multi-Source Drug Product Acquisition Cost Findings

Average Acquisition Cost as a Percent of Given Price Type ^A			
Price Type	Products without an FUL Price	Products with an FUL Price	Exhibit References
AWP	56.6%	12.7%	12, 13
DP	90.4%	N/A	17
FUL	N/A	38.7%	18
MAIC	50.2%	N/A	19

^A Percentages shown are the averages by drug product and are weighted by Medi-Cal utilization.

Analysis of Pharmacy Characteristics

In addition to analyzing the distribution of the acquisition cost of drugs by pharmacy and individual product, other characteristics were examined to determine statistical significance. These characteristics include:

- Institutional versus Retail Pharmacy Setting
- Chain versus Independent Pharmacy Affiliation
- Urban versus Rural Pharmacy Location
- Provision of Intravenous Prescription Services
- Provision of Compounding Services

For many of these characteristics, limiting the analysis to single source drug products was preferable because of the wide variation in acquisition cost of multi-source products. A wide variation in cost can make apparent differences statistically insignificant. It also is reasonable to limit some analyses to single source products because Medi-Cal expends a high proportion of its drug budget on prescriptions for these products.

In Tables 2.4 through 2.8, findings are expressed in terms of means and standard deviations. Exhibits 9 through 19 provide additional statistical measures including the standard error of the mean, confidence intervals and percentile rankings. Through these statistical measures, recognition is given to the fact that the data available in this analysis represents only a sample of the total population.

However, characteristics of the data, such as standard deviation and sample size, enable a reasonable prediction of the range in which the true population average lies.

Confidence intervals given in Exhibit 9 were calculated using appropriate statistics from the *t* distribution at the 95% confidence level. These intervals are a range estimate for the population mean, and are based upon the sample mean, standard deviation, and sample size. A 95% confidence interval identifies the range which one would expect the mean from *any* sample to fall 95% of the time. It can be inferred that there is a 95% probability that the population mean lies within the range of the confidence interval.

The following statistics of pharmaceutical acquisition cost, unless stated otherwise, include only pharmacies that submitted external invoices.

1) Institutional Versus Retail Pharmacy Setting

There were 18 institutional pharmacies that dispensed prescriptions primarily to patients in long-term care settings as opposed to retail pharmacies that primarily dispensed prescriptions to ambulatory patients.

An analysis to determine the difference in acquisition cost between the institutional and retail pharmacies is best accomplished through a *t*-test.

Table 2.4 Institutional Versus Retail Pharmacies

Type of Pharmacy	Number of Observations	Number of Pharmacies	Acq. Cost as % of AWP	Standard Deviation
Institutional	2,804	18	82.1%	1.4%
Retail	40,414	254	82.9%	1.1%

Note: Observations are for Single Source Drug Products Only

The difference in pharmacy average acquisition cost as a percent of the AWP between institutional and retail pharmacies (with institutional pharmacies averaging lower acquisition costs) was statistically significant at the 5% level of significance (for purchases of single source drug products). It is hypothesized that an institutional pharmacy's enhanced ability to direct utilization of certain drug products (by virtue of consulting pharmacists) allows for moderately larger purchase discounts.

Previously it was mentioned that institutional pharmacies were disproportionately represented (via stratification protocols) in the population of pharmacies selected to participate to the acquisition cost survey. Accordingly, many of the findings presented in various exhibits have been segregated based on the institutional or retail status of the responding pharmacies.

2) Chain Versus Independent Pharmacy Affiliation

The difference in acquisition cost between chain and independent pharmacies was found to be significant for single source drug products. This analysis was limited to chain pharmacies that submitted invoices from external wholesalers. Chain pharmacies had average acquisition costs for single source drugs lower than their independent counterparts.

Table 2.5 Chain Versus Independent Pharmacies (Retail Only)

Type of Pharmacy	Number of Observations	Number of Pharmacies	Mean Acq. Cost as % of AWP	Standard Deviation
Chain	9,789	28	82.1%	0.6%
Independent	30,625	226	83.0%	1.1%

Note: Observations are for Single Source Drug Products Only

As previously noted, several of the chains perform an internal warehousing and wholesaling function and supplied in-house invoices for this study. It is possible that the actual acquisition costs incurred by chain pharmacies, net of warehousing and distribution costs, is less than indicated on an internal invoice. The average acquisition cost for the 243 chain pharmacies (including both internal and external invoices) was 84.1% of the AWP. However, as this average includes observations of non “arms-length transactions,” it does not appear to represent reasonable acquisition cost net of internally derived profit factors.

3) Urban Versus Rural Pharmacy Location

Myers and Stauffer used the zip code of each pharmacy to determine if it was located in a Metropolitan Statistical Area as used by the Centers for Medicare and Medi-Cal Services (CMS, formerly HCFA). Only in-state pharmacies were included in this analysis. The pharmacy’s location in an urban or rural area was not found to be significant (for single source drug products at the 5% level of significance).

Table 2.6 Urban Versus Rural Location (Retail Only)

Type of Pharmacy	Number of Observations	Number of Pharmacies	Mean Acq. Cost as % of AWP	Standard Deviation
Urban	31,472	217	82.9%	1.1%
Rural	8,942	37	82.6%	1.3%

Note: Observations are for Single Source Drug Products Only

4) Provision of Intravenous Prescription Services

Myers and Stauffer differentiated pharmacies based on their provision of intravenous prescription dispensing services. A pharmacy's inclusion or exclusion of this service was not found to have statistical significance with regard to the average pharmacy acquisition cost as a percent for the AWP (for single source drug products at the 5% level of significance).

Table 2.7 Provision of Intravenous Prescription Services (Retail Only)

Type of Pharmacy	Number of Observations	Number of Pharmacies	Mean Acq. Cost as % of AWP	Standard Deviation
Provides IV Services	2,152	12	82.9%	1.1%
Does Not Provide IV Services	41,066	260	82.0%	1.8%

Note: Observations are for Single Source Drug Products Only

5) Provision of Compounding Services

Myers and Stauffer differentiated pharmacies based on their provision of compounding dispensing services. A pharmacy's inclusion or exclusion of these services was not found to have statistical significance with regard to the average pharmacy acquisition cost as a percent for the AWP (for single source drug products at the 5% level of significance).

Table 2.8 Provision of Compounding Services

Type of Pharmacy	Number of Observations	Number of Pharmacies	Mean Acq. Cost as % of AWP	Standard Deviation
Provides Compounding Services	2,393	13	82.8%	0.1%
Does not Provide Compounding Services	40,825	259	82.8%	1.2%

Note: Observations are for Single Source Drug Products Only

Analysis of Drug Characteristics

Attention was also given to classifications of drug products to determine possible effects on acquisition cost. Acquisition cost for single source drugs (as a percent of the AWP) were arrayed by their classification to determine if the drugs' therapeutic use played a role in determining the discount from the AWP.

Table 2.9 Acquisition Cost by Drug Classification

Drug Classification	Number of Observations	Number of Products	Mean Acq. Cost as % of AWP	Standard Deviation
Miscellaneous Antipsychotic Agents	3,452	36	83.4%	2.1%
Proton Pump Inhibitors	5,451	13	83.7%	1.7%
HMG-COA Reductase Inhibitors	8,439	24	82.7%	1.8%
SSRI Antidepressants	7,995	20	83.9%	1.8%
COX-2 Inhibitors	3,450	10	81.7%	2.0%
Miscellaneous Anticonvulsants	5,138	38	83.7%	2.0%
Miscellaneous Hormones (includes Serostim)	1,720	16	82.7%	3.2%
Nucleoside/Nucleotide Reverse Transcriptase Inhibitors	1,263	19	83.6%	1.6%
Calcium Channel Blocking Agents	5,007	33	81.0%	4.7%
Non-Sulfonylureas	3,672	9	84.0%	0.6%
Miscellaneous Anxiolytics, Sedatives	2,423	9	83.0%	1.7%
Antihistamines	5,314	12	82.2%	2.4%
All Other	83,809	594	82.6%	2.9%

Note: Observations are for single source drug products from all pharmacies in sample (internal and external invoices).

Although some of the differences in acquisition cost between drug classification are statistically significant, the breakdown of acquisition costs by classification primarily serves to reinforce the conclusion that discounts for single source drug products are almost universally available and consistent. **We did not find any class of drugs for which discounts from the AWP were not available.**

Probability Distribution Analysis

The acquisition cost study was performed using a sample of 276 pharmacies (which submitted external invoices) from a total population of about 5,902 Medi-Cal pharmacy providers. Acquisition cost as a percent of the AWP for single source drug products was relatively consistent among providers and drug products. Based on our prior experience, the level of discounts was consistent with our observations from other states. The low variance in acquisition cost allows us to draw conclusions regarding average acquisition cost from the sample and project them to the population of Medi-Cal pharmacy providers.

Earlier comments on the acquisition cost of single source products focused on two significant distributions:

- Acquisition cost by drug product
- Acquisition cost by pharmacy

If the distribution of acquisition cost of pharmacy providers and drug products can be assumed to have a normal distribution, there are certain estimates that can be made about the entire population. The most meaningful estimates include:

- The percent of pharmacies that may be unable to obtain a certain level of discount.
- The percent of drugs that may have an acquisition cost higher than a specified level.

These estimates are summarized in Table 2.10 and refer only to single source drug products.

Table 2.10 Probability Distribution for Single Source Drugs (Retail Only)⁵

Level of Acquisition Cost (as % of AWP)	Estimated Percent of Pharmacies with a Higher Average Acquisition Cost	Estimated Percent of Single Source Drug Products with a Higher Average Acquisition Cost
90%	0.0%	0.1%
89%	0.0%	0.4%
88%	0.0%	1.1%
87%	0.0%	2.7%
86%	0.3%	5.9%
85%	3.1%	11.6%
84%	15.9%	20.2%

Additionally, based on the low variance exhibited by single source drugs, a relatively small confidence interval exists for the mean acquisition cost. The true mean acquisition cost for the *entire population* is unknown and cannot reasonably be determined since surveying the entire pharmacy population would be cumbersome if not impossible. However, the sample mean and standard deviation allows certain conclusions to be made about the population mean. For the 276 pharmacies in the sample that provided external invoices (retail and institutional), the mean of each store's average acquisition cost as a percent of the AWP was 82.8% with a standard deviation of 1.2%. A 95% confidence interval for the mean ranges from 82.7% to 83.0%. This means that for *any* random sample taken from the population, we would expect the sample mean to fall in the confidence interval range 95% of the time⁶.

⁵ Estimates in Table 2.10 were derived from the standard normal distribution and are based on the data from the 276 pharmacies that supplied external invoices. The distribution of acquisition cost in retail pharmacies for single source drug products actually has a negative skew. This means that the assumption of a normal distribution has slightly *overstated* the actual probabilities. Hence, there are likely to be *fewer* pharmacies or drug products with average acquisition costs higher than 84% of the AWP than shown by Table 2.10.

⁶ Additional confidence intervals are provided in Exhibits 9 through 19. The Central Limit Theorem of statistics suggests that for sufficiently large numbers of samples, the sample mean will be distributed *approximately* normal. Hence, the assumption of normality in the construction of confidence intervals is appropriate. The construction of the confidence intervals cited here and in the Exhibits was based upon the Student *t* distribution. The *t* distribution is more appropriate for small sample sizes and produces a more conservative (larger) confidence interval than would the use of the normal distribution.

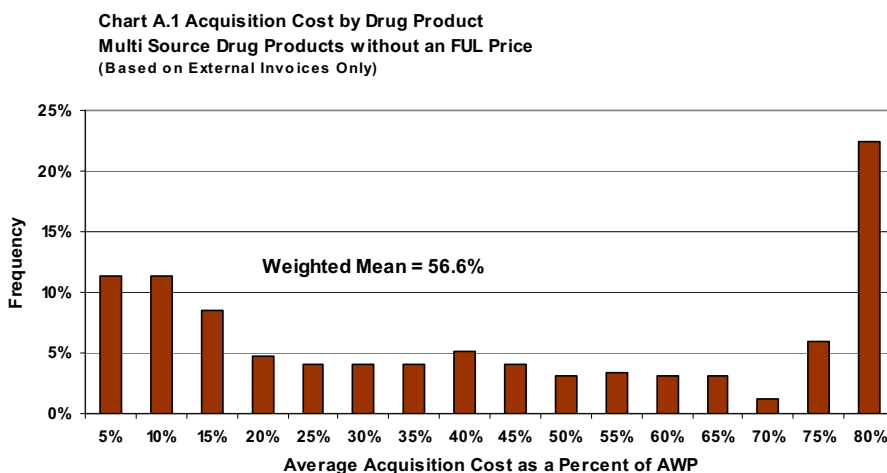
Appendix A. Acquisition Cost of Multi-Source Drugs

For analysis purposes, multi-source drug products were grouped in two categories: drugs with an FUL price and drugs without an FUL price. The distributions of acquisition cost for these two groups are significantly different.

1) Multi-Source Drug Products with No FUL Prices

For some multi-source drug products without federal upper limits, the acquisition cost as a percent of the AWP is similar to those of single source drugs. However, there are a significant number of products purchased with acquisition costs much lower than the 80% to 85% range observed for single source drugs. Our analysis resulted in the following findings (referring to observations from external invoices):

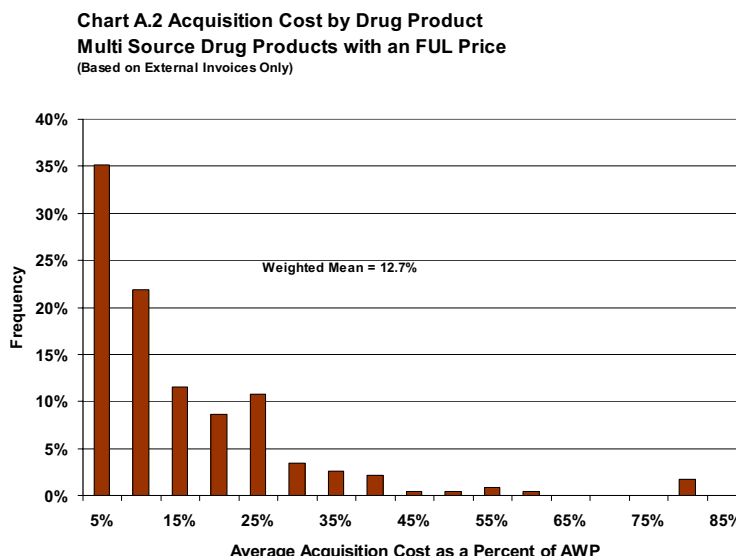
- The average acquisition cost by pharmacy was 64.6% of the AWP (see Exhibit 12).
- Of the 669 products observed, the weighted average acquisition cost was of 56.6% of the AWP (see Chart A.1 and Exhibit 12).
- Approximately one-fourth of these drug products fell in the 80% to 85% acquisition cost range (similar to single source drugs) with the remainder of drugs having acquisition costs as low as 5% of the AWP (see Chart A.1).
- For the 240 pharmacies that provided invoices from external wholesalers, average acquisition costs for multi-source drugs without an FUL and paid with a DP was 93.7% of the DP (see Exhibit 17).



2) Multi-Source Drug Products with FUL Prices

The acquisition costs of multi-source drug products with an FUL price are distributed in a significantly different manner from multi-source products without an FUL. Observations based on analysis of these acquisition costs (from external invoices) follow:

- The average acquisition cost by pharmacy was 14.1% of the AWP (see Exhibit 13).
- There were 233 drug products matched with invoice purchase line items. Acquisition cost as a percent of the AWP for these products had a weighted average acquisition cost of 12.7% of the AWP (see Chart A.2 and Exhibit 13).
- The average acquisition cost as a percent of the AWP for most of these multi-source drugs was in the 5% to 25% range. There were some products in the range of 80% and higher. Less expensive versions of these branded product versions were often available in generic forms.



The acquisition cost of these multi-source products was also analyzed as a percentage of their FUL price. The following findings resulted from that analysis:

- Acquisition cost by pharmacy as a percent of the FUL price was an average of 44.2% of the FUL price (see Exhibit 18).
- The average acquisition cost as a percent of FUL exceeded 100% for some pharmacies. These averages were typically highly skewed by the purchase of a brand name product for which a generic alternative is available.
- For individual drug products, acquisition cost as a percent of the FUL was a weighted average of 38.7% of the FUL price (see Exhibit 18).

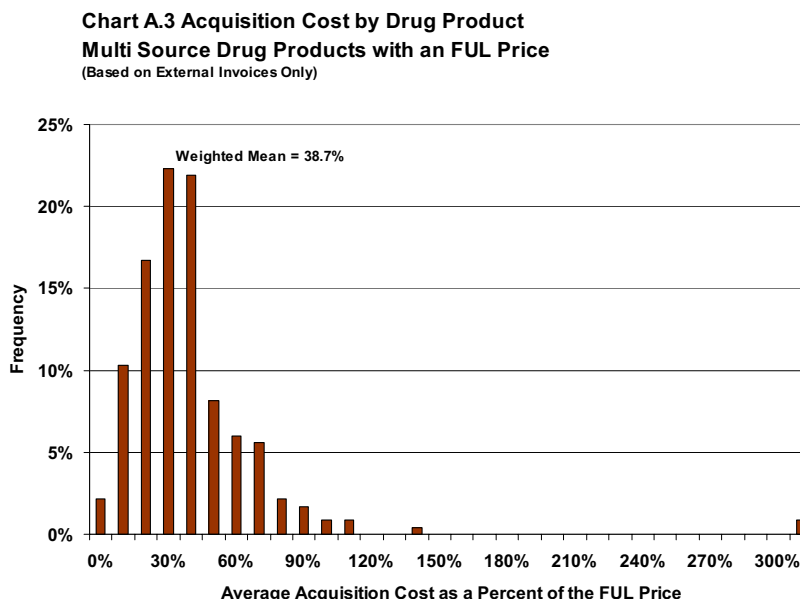
Effectiveness of FUL and MAIC Prices

The Medi-Cal pharmacy program currently reimburses the lesser of the Estimated Acquisition Cost (EAC – currently AWP minus 5% or Direct Price), FUL or MAIC price.

For calendar year 2000, approximately \$182 million in savings was obtained by reimbursing the FUL price instead of the EAC price.

MAIC prices also produce savings, yet to a less significant degree than savings realized by FUL prices. MAIC prices existed for approximately 600 drug products that were reimbursed by Medi-Cal. Annual savings realized by using MAIC prices are estimated to be approximately \$6 million.

- The acquisition cost as a percent of the FUL price for most of these multi-source products was in the 5% to 80% range. A small number of products fell in the range of 100% or higher (see Chart A.3). Less expensive generic versions are typically available for these brand name products. In theory, the branded version of these products should only be dispensed to Medi-Cal patients on occasions when a physician has indicated that the brand name product is “medically necessary.” **In those instances, the product would be reimbursed using the EAC rate (e.g. AWP minus 5%), not the FUL.**

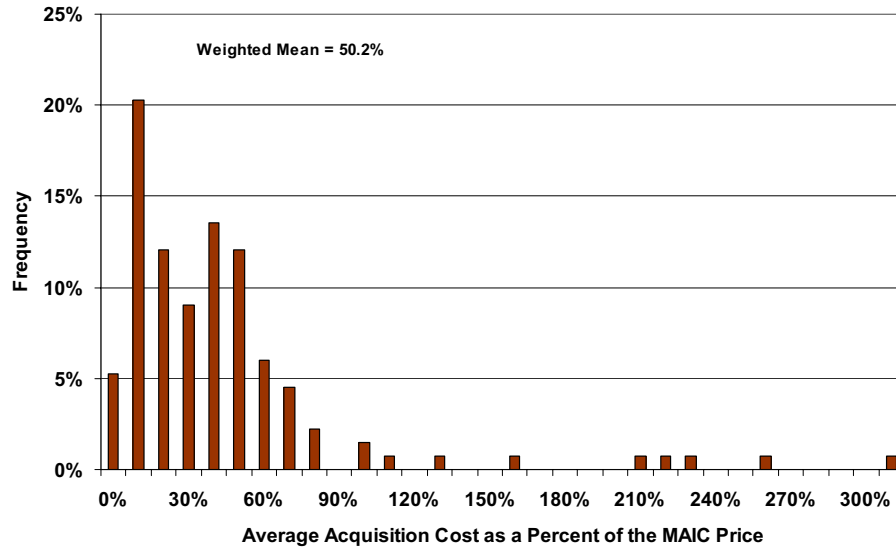


3) Multi-Source Drugs with a California Maximum Allowable Ingredient Cost (MAIC) Price

The analysis of multi-source drugs included examining the acquisition cost of drugs as a percent of the MAIC price. The following observations were made:

- For the 216 pharmacies with one or more observations, average acquisition cost as a percent of the MAIC price was 39.1% (see Exhibit 19).
- For individual drug products, acquisition cost as a percent of the MAIC was a weighted average of 50.2% of the MAIC price (see Chart A.4 and Exhibit 19).
- The acquisition cost as a percent of the MAIC price for most of these multi-source products was in the 5% to 80% range. A small number of products fell in the range of 100% or higher (see Chart A.4). Less expensive generic versions are available for these branded versions of products. As with drugs with an FUL, the branded version of these products should only be dispensed to Medi-Cal patients on occasions when a physician has indicated that the brand name product is “medically necessary.” **In those instances, the product would be reimbursed using the EAC rate (e.g. AWP minus 5%), not the MAIC.**

Chart A.4 Acquisition Cost by Drug Product
Multi Source Drug Products with a MAIC Price
 (Based on External Invoices Only)



Appendix B. Results from Previous Acquisition Cost Studies

The following table displays results from acquisition cost surveys performed by Myers and Stauffer LC and the Office of the Inspector General (OIG). Study results from other states have been consistent with the findings presented in the current study.

Table B.1 Results from Previous Studies of Pharmaceutical Acquisition Cost

Year of Study	Location	Source	Average Discount from AWP	
			Single Source Drugs	Multi-Source Drugs
1990	Wyoming	Myers and Stauffer LC	16.0%	N/A
1996	North Carolina	Office of the Inspector General – U.S. Department of Health and Human Services _A	16.9%	45.2%
1996	California	Office of the Inspector General – U.S. Department of Health and Human Services _B	17.5%	41.4%
1997	Eleven-State National Sample	Office of the Inspector General – U.S. Department of Health and Human Services _C	10% to 20% _D	42.5%
1998	Arkansas	Myers and Stauffer LC	17.3%	62% (Drugs with an Federal Upper Limit (FUL)) _E
1998	Kentucky	Myers and Stauffer LC	19.2%	72% (Drugs with an FUL)
1998	Wyoming	Myers and Stauffer LC	17.0%	73% (Drugs with an FUL)
1999	Utah	Office of the Inspector General – U.S. Department of Health and Human Services (in association with the Utah Dept. of Health) _F	18.4%	60.1%
1999	Louisiana	Myers and Stauffer LC	17.4%	70% (Drugs with an FUL) / 33% (Drugs without an FUL)
1999	Kentucky	Myers and Stauffer LC	17.1%	62% (Drugs with an FUL) / 31% (Drugs without an FUL)
2000	Kentucky	Myers and Stauffer LC	18.1%	79% (Drugs with an FUL) / 39% (Drugs without an FUL)
2001	Arkansas	Myers and Stauffer LC	17.8%	82% (Drugs with an FUL) / 46% (Drugs without an FUL)
2001	Eight-State National Sample	Office of the Inspector General – U.S. Department of Health and Human Services _G	21.84% _G	65.93% _G
2001	Kentucky	Myers and Stauffer LC	18.3%	84% (Drugs with an FUL) / 56% (Drugs without an FUL)

A. Office of the Inspector General (OIG) Report No. A-06-05-00071, September 4, 1996.

B. Office of the Inspector General (OIG) Report No. A-06-95-00062, May 31, 1996.

C. Office of the Inspector General (OIG) Report No. A-06-97-0011, August 4, 1997. The states in the sample were California, Delaware, District of Columbia, Florida, Maryland, Missouri, Montana, Nebraska, New Jersey, North Carolina, and Virginia.

D. The OIG study did not specifically address the issue of brand name drug product acquisition cost, but rather cited a June 1996 study by *Barron's*.

E. The Myers and Stauffer studies differentiate multi-source drug products by the existence of a federal upper limit (FUL) price.

F. Office of the Inspector General (OIG) Report Nos. A-06-99-00035 and A-06-99-00036.

G. Office of the Inspector General (OIG) Report Nos. A-06-00-00023 and A-06-01-00053. The states in the sample were Montana, Florida, Colorado, Indiana, Texas, Washington, West Virginia, and Wisconsin. Based on a preliminary review of the OIG report, Myers and Stauffer has concerns regarding the classification drugs deemed to be "brand" for purposes of the OIG report. Accordingly, caution is advised in the interpretation of the OIG's findings.

Table of Exhibits

Exhibit 1	Initial Letter from California Department of Health Services
Exhibit 2	Initial Letter from Myers and Stauffer LC for Acquisition Cost Survey (November Invoices)
Exhibit 3	Acquisition Cost Summary by Pharmacy – Single Source and Multi-Source Drug Products
Exhibit 4	Acquisition Cost Summary by Drug – Top 200 Single Source Drug Products
Exhibit 5	Acquisition Cost Summary by Drug – Top 200 Multi-Source Drug Products without an FUL
Exhibit 6	Acquisition Cost Summary by Drug – Top 200 Multi-Source Drug Products with an FUL
Exhibit 7	Acquisition Cost Summary by Drug Labeler (as a Percent of the AWP)
Exhibit 8	Acquisition Cost Summary by Drug Labeler (as a Percent of the Direct Price)
Exhibit 9	Statistical Summary of Acquisition Costs as a Percent of the AWP – Single Source Drug Products
Exhibit 10	Statistical Summary of Acquisition Costs as a Percent of the AWP – Single Source Drug Products not Paid with a Direct Price
Exhibit 11	Statistical Summary of Acquisition Costs as a Percent of the AWP – Single Source Drug Products Paid with a Direct Price
Exhibit 12	Statistical Summary of Acquisition Costs as a Percent of the AWP – Multi-Source Drug Products without an FUL
Exhibit 13	Statistical Summary of Acquisition Costs as a Percent of the AWP – Multi-Source Drug Products with an FUL
Exhibit 14	Statistical Summary of Acquisition Costs as a Percent of the AWP – Multi-Source Drug Products without an FUL and not Paid with a Direct Price
Exhibit 15	Statistical Summary of Acquisition Costs as a Percent of the AWP – Multi-Source Drug Products without an FUL and Paid with a Direct Price
Exhibit 16	Statistical Summary of Acquisition Costs as a Percent of the Direct Price – Single Source Drug Products Paid with a Direct Price

- Exhibit 17 Statistical Summary of Acquisition Costs as a Percent of the Direct Price – Multi-Source Drug Products without an FUL and Paid with a Direct Price
- Exhibit 18 Statistical Summary of Acquisition Costs as a Percent of the FUL – Multi-Source Drug Products with an FUL Price
- Exhibit 19 Statistical Summary of Acquisition Costs as a Percent of the California MAIC Price – Multi-Source Drug Products without an FUL

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY

GRAY DAVIS, Governor

DEPARTMENT OF HEALTH SERVICES

714 P STREET, ROOM 1253
P.O. BOX 942732
SACRAMENTO, CA 94234-7320
(916) 654-0391



TO: MEDICAL PHARMACY PROVIDERS

SUBJECT: SENATE BILL 393-STUDY OF THE ADEQUACY OF MEDICAL PHARMACY REIMBURSEMENT RATES, INCLUDING THE COSTS OF PRESCRIPTION DISPENSING AND PRODUCT ACQUISITION

Recently enacted legislation (Senate Bill 393, Statutes of 1999), requires the Department of Health Services to conduct a study of the adequacy of Medi-Cal pharmacy reimbursement rates, including the costs of prescription dispensing and product acquisition.

The Department has chosen to contract with the firm of Myers and Stauffer, LC, Certified Public Accountants, to perform the survey and analysis. Myers and Stauffer have extensive experience in performing pharmacy cost studies and analysis. This survey is the initial step in this study. The answers that you provide to the survey will help the Department correctly assess the adequacy of the professional fee paid to Medi-Cal pharmacy providers.

The Department has selected your pharmacy to represent a significant number of the 6,000 Medi-Cal provider pharmacies in California. Also, as part of your Medi-Cal pharmacy provider agreement, you have agreed to provide information, such as responses to this survey, to the Department upon request. Therefore, it is of the utmost importance to accurately complete this survey in its entirety and to supply requested invoices to Myers and Stauffer by the deadline.

The accuracy of the results depends on your participation. Myers and Stauffer will protect the confidentiality of the information you submit. Should you have any questions with the survey or the process, Myers and Stauffer will provide needed assistance through their toll-free telephone help line.



Do Your Part to Help California Save Energy To learn more about saving energy, visit the following web site:
<http://www.consumerenergycenter.org/tx/index.html>

Medi-Cal Pharmacy Provider
Page 2

As the administrators and the providers of one of the country's largest prescription drug programs, the Department has a shared responsibility to carry out this project in the most accurate manner possible.

If you have any questions regarding the information in this letter, please contact Mr. Roberto B. Martinez, Chief of the Medi-Cal Policy Division, at (916) 657-1542.

Sincerely,



Gail L. Margolis
Deputy Director
Medical Care Service

Enclosure

cc: Mr. Roberto B. Martinez, Chief
Medi-Cal Policy Division
Department of Health Services
714 P Street, Room 1561
P.O. Box 942732
Sacramento, CA 94234-7320



October 1, 2001

Dear Pharmacy Owner or Manager:

The California Department of Health Services has contracted with Myers and Stauffer LC to conduct dispensing cost and acquisition cost surveys as part of the on-going process to evaluate Medicaid fees for prescription medications in the state of California. A random sample of pharmacy providers has been selected to participate in the surveys. Your pharmacy has been selected and we are requesting your participation in both surveys according to the following directions:

Dispensing Cost Survey

1. Complete and return the enclosed "Medi-Cal Pharmacy Cost Report." Please review the survey instructions.
2. Retain a copy of the completed survey forms for your records.
3. For your convenience, we will complete a portion of the survey for you upon receipt of your business federal income tax return (Forms 1065, 1120, 1120S or Schedule C of Form 1040 and accompanying schedules). If you choose this option, you will still need to complete the following sections of the cost report prior to submission:
 - a. Pages 1 and 2 – Pharmacy attributes and other information
 - b. Page 3 – Line 1 (column 1) – prescription sales, and line 3 (columns 1 and 2) – prescription area and total store area.
 - c. Page 4 – Personnel costs – complete lines 31-45, all columns
 - d. Section III – Pharmacy Prescription Charges Survey
4. If your financial statements or tax return have not been completed for your most current fiscal year, please file a cost report using your prior year's financial statements (or tax return) and the corresponding prescription data for that year. The data will be adjusted accordingly.

420 Nichols Road • Kansas City, Missouri 64112
(816) 968-1960 • (800) 374-6858 • FAX (816) 968-1970

Acquisition Cost Survey

1. Submit to Myers and Stauffer all drug purchase invoices from your wholesale drug supplier(s) for the dates November 1 through November 30, 2000.
2. Submit all invoices for drug purchases from brand name as well as generic pharmaceutical manufacturers and/or suppliers for the dates November 1 through November 30, 2000.
3. Please send copies of invoices. Submitted documents will not be returned.

It is very important that all pharmacies cooperate fully by filing an accurate cost report and submitting the requested drug purchase invoices. Please submit all requested information no later than November 30, 2001 to:

Myers and Stauffer LC
Certified Public Accountants
420 Nichols Road
Kansas City, Missouri 64112

All cost reports will be reviewed by experienced staff at Myers and Stauffer LC. If this review yields any need for additional inquiries, you will be contacted by letter or telephone. At a later date, a limited sample of pharmacies will be selected for an on-site field examination. If your pharmacy is chosen for a field examination, you will be notified by letter.

Reports generated from this study may be used as a basis for determining future reimbursement paid under the Medicaid program. All information submitted will be held in strict confidence. If you have any questions, please call toll free at 1-800-374-6858. Your cooperation in providing the information for this study is greatly appreciated.

Sincerely,



T. Allan Hansen
Project Manager

Exhibit 3

Acquisition Cost Summary by Pharmacy
Single Source and Multi-Source Drug Products
Study of Medi-Cal Pharmacy Reimbursement

				Single Source Products		Multi-Source Products			
						Without FUL		With FUL	
				Average Acquisition Cost as		Average Acquisition Cost as		Average Acquisition Cost as	
Assigned Number	Pharmacy Type	Urban	Internal Invoices	Number of Observations	Percent of the AWP	Number of Observations	Percent of the AWP	Number of Observations	Percent of the AWP
A	B	C	D	E	F	G	H	I	J
0000	CHN	X		186	82.9%	65	60.2%	21	12.1%
0010	IND	X		96	83.5%	28	48.7%	30	11.0%
0031	CHN	X		898	83.3%	295	66.2%	154	12.8%
0036	CHN	X		171	82.1%	87	54.4%	36	10.8%
0043	CHN	X	X	139	84.9%	67	67.4%	31	12.9%
0064	CHN	X		257	84.7%	128	65.1%	62	12.9%
0132	IND	X		283	82.9%	115	57.0%	48	11.3%
0225	IND	X		384	83.0%	141	56.5%	65	13.7%
0226	CHN	X		731	83.4%	277	61.1%	160	12.5%
0235	CHN	X	X	162	84.8%	71	72.3%	18	11.7%
0238	CHN	X	X	166	85.0%	91	60.3%	39	14.3%
0258	IND	X		129	82.6%	45	60.9%	17	18.9%
0262	CHN		X	471	85.0%	161	65.2%	118	26.4%
0308	CHN	X	X	158	84.9%	72	69.4%	29	13.2%
0309	CHN	X	X	1,238	84.9%	441	61.0%	246	23.4%
0311	CHN	X	X	85	84.8%	44	73.5%	10	10.5%
0318	IND	X		83	82.5%	19	41.4%	3	24.4%
0321	CHN	X	X	88	85.0%	53	67.3%	19	16.2%
0340	CHN	X		217	84.8%	103	65.7%	40	12.1%
0341	CHN	X		306	82.1%	119	51.6%	59	14.1%
0360	IND			66	84.5%	26	50.5%	18	11.9%
0377	IND	X		136	81.9%	42	57.6%	23	14.9%
0416	IND	X		15	77.6%	3	74.4%		
0441	CHN	X		580	83.3%	224	57.3%	125	11.5%
0443	IND			162	82.3%	46	68.0%	20	18.4%
0464	IND	X		164	82.3%	55	71.4%	9	24.7%
0466	IND	X		50	83.8%	29	70.3%	17	19.1%
0483	IND	X		631	82.3%	166	66.3%	72	14.3%
0495	IND	X		58	83.4%	15	75.0%	6	14.5%
0496	CHN	X	X	55	84.9%	19	72.8%	8	7.8%
0540	INST			144	80.1%	43	43.1%	20	15.1%
0541	IND	X		102	82.8%	32	79.9%	9	18.1%
0552	IND	X		172	84.1%	67	62.5%	30	11.4%
0611	CHN	X		375	83.3%	79	57.3%	44	11.9%
0626	CHN	X		138	84.7%	60	67.2%	25	10.1%
0643	CHN	X		312	83.1%	113	56.4%	90	14.5%
0652	CHN	X		432	83.2%	155	66.7%	72	14.0%
0685	IND	X		34	82.7%	30	61.1%	12	14.5%
0714	CHN	X		421	81.5%	100	67.6%	30	13.1%
0726	CHN	X	X	816	84.8%	300	57.9%	140	23.7%
0737	IND	X		137	82.5%	69	75.2%	14	9.7%
0746	IND			263	83.0%	63	79.4%	3	48.3%
0784	CHN			745	85.0%	249	62.5%	166	21.7%
0802	IND	X		22	85.8%	43	43.4%	37	18.7%
0819	IND	X		93	84.0%	17	68.5%	7	14.3%
0822	IND	X		200	82.9%	102	64.8%	39	12.4%
0824	CHN	X		57	85.4%	27	71.5%	10	12.1%
0890	CHN	X		773	82.2%	339	51.5%	175	12.2%
0895	IND	X		125	82.6%	62	56.5%	28	11.1%
0932	IND			286	82.9%	70	70.5%	24	13.7%

Exhibit 3

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Single Source and Multi-Source Drug Products
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				Single Source Products		Multi-Source Products			
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A	B	C	D	E	F	G	H	I	J
0943	CHN	X		506	83.2%	194	56.3%	99	12.5%
0959	IND	X		97	82.4%	52	60.4%	31	15.6%
1002	IND	X		156	83.1%	59	68.0%	33	18.5%
1039	INST			409	81.6%	128	66.8%	55	14.3%
1047	CHN	X	X	1,092	84.9%	374	66.0%	262	26.3%
1050	CHN			887	81.5%	239	71.5%	98	15.2%
1062	CHN	X	X	801	83.1%	326	57.8%	163	11.9%
1076	IND	X		66	84.0%	6	82.6%	2	14.4%
1109	CHN	X		302	82.1%	146	52.6%	67	11.8%
1121	IND	X				10	11.4%	6	9.4%
1162	CHN	X	X	701	83.3%	191	60.9%	95	12.8%
1199	IND	X		90	81.8%	30	51.6%	12	17.1%
1209	CHN	X		556	84.9%	177	64.5%	110	26.4%
1264	CHN	X	X	132	84.8%	52	65.1%	16	11.6%
1266	IND	X		125	82.7%	22	81.1%		
1274	CHN			183	84.9%	65	64.7%	35	14.4%
1285	IND	X		73	83.3%	14	76.5%	7	13.7%
1295	CHN	X		99	85.3%	46	67.0%	17	10.9%
1308	INST			137	81.6%	45	56.6%	27	8.4%
1312	IND	X		1	83.3%	1	68.7%		
1313	CHN	X		59	85.0%	19	71.8%	9	8.3%
1327	IND	X		312	82.9%	138	65.3%	45	11.5%
1345	CHN	X		464	85.0%	160	61.7%	101	24.8%
1430	CHN	X	X	543	83.3%	213	63.8%	74	12.1%
1458	CHN	X		370	83.3%	133	54.4%	70	13.2%
1507	CHN	X	X	276	84.8%	108	70.9%	45	13.3%
1563	IND	X		117	83.1%	48	66.6%	29	10.4%
1569	CHN	X	X	667	83.3%	195	64.6%	95	11.0%
1570	IND	X		158	83.4%	59	69.4%	12	10.6%
1593	CHN	X		311	85.1%	120	64.3%	59	14.9%
1594	IND	X		33	83.7%	7	52.7%	9	11.5%
1604	CHN	X		508	83.4%	195	54.0%	97	12.3%
1629	IND	X		134	82.4%	37	62.4%	15	12.0%
1637	IND			87	85.1%	28	54.3%	21	9.8%
1654	IND			252	82.8%	91	71.4%	24	10.6%
1674	INST			136	81.9%	18	77.6%	1	28.2%
1675	CHN	X	X	1,045	84.9%	379	67.4%	195	22.3%
1683	CHN	X		764	83.3%	232	62.3%	123	12.1%
1685	IND	X		18	81.2%	3	80.0%		
1717	CHN	X		706	83.2%	263	54.2%	143	12.2%
1730	CHN	X		489	83.2%	140	62.1%	91	10.5%
1756	CHN	X		506	83.2%	131	65.2%	65	11.9%
1767	CHN	X		553	83.3%	171	60.8%	81	11.7%
1788	IND	X		144	82.8%	40	60.2%	23	13.5%
1812	IND	X		268	84.0%	101	68.5%	53	17.4%
1813	CHN			901	84.9%	276	62.8%	220	25.1%
1821	IND	X		44	84.2%	17	62.8%	15	13.3%
1823	CHN	X		152	85.0%	73	67.0%	34	10.4%
1828	CHN	X		536	85.0%	184	61.9%	113	26.6%
1834	CHN	X	X	99	84.8%	52	69.4%	20	13.7%

Exhibit 3

Acquisition Cost Summary by Pharmacy
Single Source and Multi-Source Drug Products
Study of Medi-Cal Pharmacy Reimbursement

				Single Source Products		Multi-Source Products			
						Without FUL		With FUL	
				Average Acquisition Cost as		Average Acquisition Cost as		Average Acquisition Cost as	
Assigned Number	Pharmacy Type	Urban	Internal Invoices	Number of Observations	Percent of the AWP	Number of Observations	Percent of the AWP	Number of Observations	Percent of the AWP
A	B	C	D	E	F	G	H	I	J
1856	IND	X		65	84.1%	24	74.1%	8	18.6%
1887	CHN	X		377	84.9%	158	65.4%	114	23.8%
1907	CHN	X		665	83.3%	253	57.4%	141	10.7%
2009	IND	X		362	82.6%	122	65.3%	44	11.5%
2029	CHN			747	85.0%	254	63.9%	130	27.0%
2044	CHN	X		131	85.0%	69	65.9%	20	15.2%
2055	CHN	X		258	83.3%	72	57.1%	48	13.4%
2057	IND			105	83.3%	28	52.2%	14	9.3%
2066	IND	X		194	82.5%	42	76.0%	19	16.3%
2067	CHN	X		741	84.9%	224	64.5%	149	22.2%
2081	CHN	X		530	83.2%	174	60.2%	92	11.4%
2105	CHN	X	X	1,214	83.4%	339	60.3%	160	12.8%
2107	IND	X		4	80.8%				
2108	IND			77	82.1%	28	64.6%	16	18.8%
2137	IND	X		232	83.0%	115	66.0%	31	14.2%
2169	IND	X		71	85.0%	8	78.5%	2	3.4%
2176	IND	X		159	82.8%	44	62.4%	5	24.3%
2187	CHN			1,301	84.9%	505	62.6%	258	23.7%
2268	IND	X		272	81.7%	116	62.9%	39	13.5%
2314	IND	X		33	83.2%	10	61.2%	9	7.3%
2333	INST			332	81.3%	157	62.0%	79	9.2%
2336	IND	X		189	82.3%	74	65.0%	33	14.8%
2343	INST			192	82.5%	74	62.9%	19	13.2%
2354	IND	X		214	82.2%	48	63.7%	13	15.6%
2410	CHN	X		391	83.2%	106	64.1%	69	12.2%
2418	IND	X		137	82.4%	50	61.9%	30	11.9%
2422	CHN	X		374	82.3%	118	67.4%	62	12.9%
2428	IND	X		178	83.7%	86	63.3%	37	11.4%
2432	IND	X		53	84.2%	27	79.5%	6	10.2%
2437	CHN	X		515	85.0%	211	60.8%	140	23.7%
2438	IND	X		228	82.2%	84	64.4%	19	12.4%
2545	CHN	X		294	82.2%	98	48.2%	43	12.0%
2558	CHN	X	X	221	84.9%	89	63.1%	43	14.1%
2563	IND	X		195	83.8%	84	60.6%	51	11.0%
2566	IND	X		162	82.2%	55	66.5%	27	16.1%
2580	CHN	X	X	106	85.3%	48	64.4%	16	11.7%
2613	IND	X		227	84.1%	77	63.7%	16	20.5%
2635	CHN	X		112	82.1%	26	76.9%	13	12.3%
2672	IND	X		45	83.7%	14	82.4%	3	7.2%
2691	CHN	X		137	84.9%	63	65.3%	32	13.4%
2692	CHN	X		969	84.9%	384	64.6%	182	24.7%
2698	CHN	X	X	165	84.8%	81	64.2%	47	13.5%
2708	IND	X		206	82.9%	64	68.1%	28	14.3%
2709	CHN	X		914	85.0%	331	61.7%	152	25.7%
2711	CHN		X	1,087	85.0%	415	65.7%	300	23.1%
2714	IND	X		215	82.0%	71	67.4%	37	15.8%
2730	CHN	X		95	85.2%	32	57.4%	17	14.2%
2738	CHN	X		500	83.0%	191	60.7%	107	12.7%
2749	CHN	X		280	82.1%	112	57.7%	63	12.1%
2791	INST			91	84.0%	28	72.4%	23	15.6%

Exhibit 3

Acquisition Cost Summary by Pharmacy
Single Source and Multi-Source Drug Products
Study of Medi-Cal Pharmacy Reimbursement

				Single Source Products		Multi-Source Products			
						Without FUL		With FUL	
				Average Acquisition Cost as		Average Acquisition Cost as		Average Acquisition Cost as	
Assigned Number	Pharmacy Type	Urban	Internal Invoices	Number of Observations	Percent of the AWP	Number of Observations	Percent of the AWP	Number of Observations	Percent of the AWP
A	B	C	D	E	F	G	H	I	J
2841	CHN	X		664	85.1%	362	62.2%	187	24.1%
2846	IND	X		380	82.5%	88	69.6%	33	13.3%
2848	CHN	X	X	1,014	83.2%	321	57.1%	150	12.4%
2871	CHN	X		610	83.2%	199	54.0%	118	12.2%
2890	IND			182	82.3%	47	68.9%	22	15.7%
2910	IND	X		80	84.8%	29	66.9%	14	13.5%
2938	IND	X		75	84.2%	27	73.8%	9	8.5%
2945	CHN	X		433	83.3%	163	55.4%	120	11.6%
2970	CHN	X		707	85.0%	231	65.2%	127	24.5%
2983	IND	X		142	83.9%	29	63.6%	22	14.9%
2988	IND			253	82.4%	72	62.9%	29	13.7%
2993	IND	X		33	83.1%	17	67.4%	8	14.1%
3011	CHN			551	82.2%	237	63.4%	108	12.1%
3045	IND	X		498	82.8%	107	66.3%	49	16.4%
3115	INST			162	82.8%	54	76.7%	15	22.7%
3120	CHN	X	X	485	83.3%	167	57.2%	106	13.0%
3124	IND			348	82.0%	133	67.5%	53	11.7%
3129	CHN	X		204	84.9%	74	69.7%	44	13.0%
3152	IND	X		14	82.6%	14	68.3%	3	13.0%
3190	CHN	X	X	610	83.3%	225	58.9%	119	12.1%
3211	IND	X		116	84.1%	47	54.4%	41	15.5%
3219	IND	X		109	84.0%	52	69.3%	27	16.0%
3235	CHN	X	X	285	85.0%	136	62.0%	74	14.7%
3245	CHN	X		237	85.0%	78	56.8%	39	24.7%
3304	CHN	X		411	83.1%	146	55.0%	94	10.3%
3326	IND	X		32	83.4%	11	70.7%	4	11.6%
3348	IND	X		43	83.6%	6	73.5%	7	14.4%
3358	IND	X		118	83.6%	50	68.8%	42	15.6%
3366	INST			301	82.3%	126	63.4%	24	14.9%
3430	IND			329	82.3%	79	62.0%	40	17.3%
3438	INST			33	82.4%	27	56.8%	12	9.8%
3494	IND			16	81.2%	5	53.0%		
3522	CHN	X		616	85.0%	285	63.5%	177	22.8%
3571	IND	X		109	85.5%	39	79.2%	15	18.1%
3573	IND	X		174	82.7%	48	58.4%	26	9.9%
3575	IND	X		73	82.7%	37	51.8%	20	10.7%
3582	CHN	X		725	83.2%	246	55.8%	148	12.2%
3599	CHN	X		76	85.0%	24	71.5%	17	14.6%
3642	CHN	X		388	83.3%	150	56.4%	82	13.8%
3654	CHN	X		401	81.6%	152	65.0%	64	16.4%
3657	IND	X		13	84.1%	3	82.1%	5	10.9%
3679	CHN	X		63	84.8%	31	75.7%	11	10.1%
3785	IND			133	82.3%	47	62.0%	22	12.6%
3812	CHN		X	1,060	84.9%	402	59.2%	217	23.5%
3816	CHN	X	X	221	84.9%	76	76.7%	21	7.6%
3839	IND	X		97	84.3%	33	64.1%	21	6.4%
3871	IND	X		45	85.2%	20	69.0%	5	10.2%
3884	IND	X		212	85.8%	58	72.1%	20	20.6%
3939	CHN	X	X	743	84.9%	305	57.4%	203	24.2%
3990	CHN	X	X	209	84.9%	74	75.8%	35	15.2%

Exhibit 3

Acquisition Cost Summary by Pharmacy
Single Source and Multi-Source Drug Products
Study of Medi-Cal Pharmacy Reimbursement

				Single Source Products		Multi-Source Products			
						Without FUL		With FUL	
				Average Acquisition Cost as		Average Acquisition Cost as		Average Acquisition Cost as	
Assigned Number	Pharmacy Type	Urban	Internal Invoices	Number of Observations	Percent of the AWP	Number of Observations	Percent of the AWP	Number of Observations	Percent of the AWP
A	B	C	D	E	F	G	H	I	J
4009	CHN	X	X	465	83.0%	142	57.0%	74	12.0%
4015	IND	X		122	82.7%	34	59.4%	15	13.4%
4028	IND	X		75	83.9%	23	57.2%	17	16.5%
4034	IND	X		107	83.1%	52	63.5%	25	11.0%
4078	CHN	X		698	83.4%	265	67.3%	103	11.3%
4120	CHN	X		481	83.1%	156	62.5%	87	10.0%
4169	IND	X		57	83.6%	12	76.5%		
4177	IND	X		1	82.7%	4	63.6%	3	5.1%
4207	CHN	X	X	217	85.0%	90	67.7%	44	13.8%
4223	INST			239	81.5%	136	56.6%	52	10.7%
4224	CHN	X		579	83.2%	229	61.2%	94	11.1%
4229	IND	X		126	82.9%	38	57.6%	34	19.7%
4239	IND	X		79	83.4%	28	62.5%	19	10.5%
4252	CHN	X	X	1,451	85.0%	525	62.4%	244	23.5%
4261	CHN	X	X	656	83.0%	196	57.8%	93	10.5%
4271	CHN	X		348	82.9%	115	61.0%	62	10.5%
4278	IND			177	82.3%	52	65.8%	8	12.2%
4320	CHN	X		567	83.3%	188	53.3%	109	12.4%
4414	IND	X		410	82.3%	83	64.4%	18	16.4%
4426	CHN	X	X	659	83.2%	235	64.0%	136	12.5%
4441	IND	X		126	83.0%	45	63.8%	20	11.9%
4476	IND	X		208	82.8%	61	65.3%	27	12.5%
4503	CHN	X		208	84.9%	89	65.7%	30	9.6%
4507	CHN	X		653	85.0%	247	61.7%	119	25.4%
4538	IND			6	80.0%	2	80.0%	2	17.4%
4561	INST			326	81.4%	131	64.8%	68	11.6%
4586	CHN	X	X	452	83.4%	170	53.7%	106	11.0%
4620	CHN	X	X	753	85.0%	333	62.9%	189	23.4%
4624	CHN	X		232	84.8%	57	67.5%	25	13.5%
4662	IND	X		124	82.9%	40	77.6%	12	16.2%
4669	CHN	X	X	278	85.0%	128	66.3%	75	14.6%
4673	IND	X		44	84.2%	10	78.9%	10	7.2%
4686	IND	X		215	82.4%	85	68.4%	34	14.2%
4697	IND	X		74	82.9%	21	71.1%	6	23.5%
4700	CHN	X		1,033	83.2%	384	61.6%	149	12.4%
4710	IND	X		160	84.2%	34	72.4%	17	10.4%
4765	CHN			443	82.0%	152	49.5%	85	12.7%
4772	CHN	X	X	76	85.1%	29	74.2%	12	19.1%
4773	IND	X		37	82.7%	5	17.9%	5	19.2%
4776	IND	X		95	82.6%	35	70.7%	9	17.2%
4791	IND	X		258	83.6%	67	67.2%	28	14.3%
4793	CHN	X	X	114	84.2%	67	63.5%	33	14.3%
4796	CHN	X		631	83.1%	209	65.8%	103	12.1%
4846	IND	X		85	82.7%	21	80.1%	5	19.3%
4900	CHN	X	X	858	83.1%	309	63.7%	108	11.6%
4938	INST			93	80.6%	49	55.2%	21	10.6%
5014	IND	X		158	81.8%	49	55.5%	22	13.5%
5030	IND	X		88	83.8%	32	55.4%	15	12.7%
5087	IND	X		94	82.3%	26	75.3%	17	11.7%
5091	IND	X		126	82.5%	49	74.4%	29	11.6%

Exhibit 3

Acquisition Cost Summary by Pharmacy
Single Source and Multi-Source Drug Products
Study of Medi-Cal Pharmacy Reimbursement

				Single Source Products		Multi-Source Products			
						Without FUL		With FUL	
				Average Acquisition Cost as		Average Acquisition Cost as		Average Acquisition Cost as	
Assigned Number	Pharmacy Type	Urban	Internal Invoices	Number of Observations	Percent of the AWP	Number of Observations	Percent of the AWP	Number of Observations	Percent of the AWP
A	B	C	D	E	F	G	H	I	J
5098	CHN	X	X	320	84.7%	153	68.0%	64	13.9%
5110	IND	X		200	82.7%	49	81.7%		
5134	CHN	X	X	154	85.1%	74	68.5%	31	9.2%
5164	CHN	X	X	862	85.0%	383	67.5%	238	25.5%
5171	IND	X		28	82.8%	5	69.2%	6	15.0%
5172	IND	X		40	82.0%	20	66.4%	3	10.4%
5185	CHN	X	X	516	85.0%	219	65.9%	133	23.6%
5202	CHN		X	1,271	84.9%	457	63.5%	224	24.4%
5244	IND	X		96	82.4%	34	68.6%	20	7.5%
5266	IND	X		171	82.8%	68	61.8%	30	10.1%
5278	IND	X		204	83.2%	95	65.8%	34	14.7%
5288	IND	X		22	83.2%	22	58.8%	8	10.4%
5293	CHN			941	84.9%	387	61.3%	187	24.2%
5300	IND			308	82.3%	54	60.9%	16	18.8%
5324	IND	X		111	84.2%	17	57.9%	18	12.9%
5329	CHN	X	X	93	84.9%	63	65.1%	25	13.0%
5351	CHN	X	X	126	85.0%	55	65.4%	18	10.7%
5375	CHN	X		604	83.1%	252	55.3%	128	10.8%
5376	CHN	X		181	84.9%	66	69.7%	30	17.5%
5386	IND	X		64	83.2%	40	59.2%	13	13.0%
5397	CHN	X		269	85.0%	129	64.0%	57	14.1%
5399	IND	X		195	82.4%	40	76.2%	12	9.8%
5423	IND	X		217	83.8%	68	71.7%	32	10.2%
5429	CHN	X	X	719	85.0%	222	63.8%	185	23.9%
5433	IND	X		182	82.5%	99	60.2%	26	8.9%
5445	CHN	X		389	83.3%	105	59.4%	72	12.0%
5466	IND	X		23	83.3%	13	73.0%	5	15.5%
5478	IND	X		114	82.8%	37	70.5%	17	13.9%
5493	CHN	X		207	82.0%	83	64.6%	30	13.4%
5519	CHN	X		537	83.4%	188	63.4%	89	12.9%
5520	CHN	X	X	246	85.0%	101	68.5%	32	12.6%
5581	CHN	X	X	570	83.3%	217	57.0%	153	11.7%
5584	IND			170	83.1%	53	61.5%	30	12.7%
5585	CHN	X		378	82.9%	145	53.2%	98	13.4%
5607	IND	X		4	80.0%	2	80.0%		
5617	CHN	X		128	85.0%	44	73.5%	28	12.3%
5675	CHN	X		53	85.0%	30	69.7%	6	12.9%
5746	CHN	X	X	132	84.9%	57	70.0%	35	15.1%
5762	IND	X		111	83.6%	41	69.0%	13	10.2%
5781	IND			244	82.7%	49	55.4%	22	12.3%
5803	CHN	X		690	83.2%	272	61.6%	126	12.4%
5809	CHN	X		147	85.0%	78	63.7%	43	14.0%
5868	IND	X		256	83.2%	87	63.5%	41	13.9%
5888	CHN	X	X	764	83.5%	314	55.7%	138	12.7%
5890	CHN	X		87	85.2%	40	69.9%	21	13.2%
5896	IND			164	82.1%	34	68.5%	13	12.5%
5922	CHN	X		58	84.9%	15	52.0%	14	9.7%
5932	CHN	X		62	85.1%	19	71.6%	6	11.0%
5941	CHN	X		558	83.4%	173	62.8%	105	11.7%
5990	IND			52	82.7%	26	61.3%	7	12.2%

Exhibit 3

Acquisition Cost Summary by Pharmacy
Single Source and Multi-Source Drug Products
Study of Medi-Cal Pharmacy Reimbursement

				Single Source Products		Multi-Source Products			
						Without FUL		With FUL	
				Average Acquisition Cost as		Average Acquisition Cost as		Average Acquisition Cost as	
Assigned Number	Pharmacy Type	Urban	Internal Invoices	Number of Observations	Percent of the AWP	Number of Observations	Percent of the AWP	Number of Observations	Percent of the AWP
A	B	C	D	E	F	G	H	I	J
5999	IND	X		141	84.3%	112	50.1%	57	11.8%
6003	CHN	X	X	134	84.8%	59	72.5%	24	14.4%
6008	IND	X		201	83.1%	53	72.5%	25	13.3%
6028	CHN	X		98	84.9%	40	71.4%	12	17.5%
6042	CHN	X	X	156	84.9%	89	63.1%	40	12.9%
6067	CHN	X	X	822	85.0%	339	62.7%	211	25.3%
6076	IND			178	83.3%	25	79.8%	6	22.2%
6078	CHN	X		141	84.8%	61	68.1%	26	16.1%
6096	IND	X		312	82.0%	105	64.5%	27	17.8%
6127	CHN	X		222	82.2%	114	54.8%	62	13.3%
6151	IND	X		161	82.4%	44	62.9%	19	10.7%
6157	IND	X		36	83.5%	13	61.7%	1	21.4%
6186	INST			5	85.0%	3	14.0%		
6218	IND	X		112	82.3%	35	70.9%	7	18.4%
6251	CHN	X		524	84.8%	184	65.2%	147	23.9%
6256	IND	X		130	83.2%	49	55.5%	32	10.7%
6302	IND	X		75	83.1%	12	55.6%	15	10.8%
6313	IND	X		209	82.8%	75	61.9%	43	12.6%
6331	CHN	X		658	83.3%	213	61.0%	114	12.4%
6337	CHN	X		463	84.9%	154	64.3%	97	22.1%
6389	IND			183	82.3%	33	78.1%	4	16.5%
6394	IND	X		6	82.3%	1	83.3%		
6397	IND	X		232	83.3%	54	66.0%	30	9.1%
6405	IND	X		144	83.0%	49	53.1%	27	13.9%
6420	IND	X		54	83.6%	16	69.3%	12	6.5%
6446	CHN	X		80	85.0%	35	65.1%	13	12.7%
6496	IND			160	83.1%	48	58.0%	25	12.7%
6520	CHN	X	X	728	83.2%	274	57.3%	142	11.9%
6537	CHN	X		222	82.0%	87	60.0%	67	11.5%
6548	CHN	X		165	84.8%	63	74.4%	26	11.4%
6624	IND	X		78	83.2%	14	74.1%	6	25.1%
6637	CHN	X		571	83.4%	208	60.2%	107	11.7%
6679	CHN			323	83.4%	107	43.5%	55	12.1%
6685	CHN	X		683	84.8%	193	61.2%	130	24.2%
6688	IND	X		221	82.5%	119	61.6%	49	13.9%
6701	IND	X		59	82.3%	22	54.0%	24	18.2%
6716	IND	X		488	82.6%	198	63.5%	101	11.7%
6721	CHN	X	X	681	85.0%	248	62.9%	127	23.7%
6729	CHN	X	X	547	83.4%	150	59.9%	95	11.8%
6739	CHN	X	X	202	84.8%	80	66.8%	31	13.1%
6760	CHN	X		385	81.4%	126	70.8%	52	16.7%
6775	IND	X		139	83.4%	11	74.6%	3	5.1%
6807	CHN	X		386	81.5%	94	76.4%	37	15.2%
6815	IND	X		218	82.3%	83	60.1%	34	10.2%
6840	CHN	X	X	246	84.9%	134	66.0%	75	13.4%
6846	CHN	X	X	524	83.2%	179	62.0%	70	11.9%
6853	IND	X		129	83.3%	26	67.7%	3	10.6%
6879	IND	X				5	25.4%	2	3.4%
6896	CHN	X		256	84.9%	140	66.3%	64	13.3%
6899	CHN	X	X	208	84.8%	97	65.8%	52	12.7%

Exhibit 3

Acquisition Cost Summary by Pharmacy
Single Source and Multi-Source Drug Products
Study of Medi-Cal Pharmacy Reimbursement

				Single Source Products		Multi-Source Products			
						Without FUL		With FUL	
				Average Acquisition Cost as		Average Acquisition Cost as		Average Acquisition Cost as	
Assigned Number	Pharmacy Type	Urban	Internal Invoices	Number of Observations	Percent of the AWP	Number of Observations	Percent of the AWP	Number of Observations	Percent of the AWP
A	B	C	D	E	F	G	H	I	J
6906	IND	X		56	84.0%	27	71.2%	11	14.6%
6958	IND			205	83.6%	50	62.2%	22	10.7%
6959	IND	X		191	84.0%	63	70.4%	24	11.3%
6993	IND	X		167	83.5%	49	69.6%	18	8.1%
7003	IND	X		116	83.2%	45	46.4%	22	12.6%
7015	CHN	X	X	147	85.1%	60	63.3%	25	12.2%
7053	IND	X		12	82.9%	5	64.4%	3	6.5%
7089	IND	X		244	82.1%	81	48.5%	35	9.8%
7098	CHN			529	82.0%	220	49.9%	102	10.4%
7118	CHN	X		581	84.8%	200	64.1%	117	25.2%
7125	IND	X		175	82.4%	56	68.6%	23	12.7%
7134	IND	X		238	83.8%	65	59.2%	45	11.7%
7195	IND	X		137	82.4%	66	71.9%	24	16.4%
7219	CHN	X		117	85.0%	55	57.8%	27	12.6%
7222	CHN	X	X	100	85.0%	35	66.1%	17	15.8%
7224	CHN			199	83.4%	42	59.6%	29	13.2%
7276	CHN	X		73	84.9%	17	73.0%	5	17.4%
7279	IND	X		61	83.9%	7	57.9%	10	18.3%
7284	CHN	X	X	51	84.8%	16	70.1%	7	17.2%
7299	IND	X		158	82.1%	30	69.6%	18	25.6%
7300	CHN	X	X	692	83.3%	274	56.3%	119	11.4%
7317	CHN	X	X	182	84.9%	76	65.2%	37	11.0%
7348	CHN	X		398	83.2%	142	57.1%	91	12.5%
7351	CHN	X	X	101	85.1%	48	64.5%	23	12.1%
7363	IND	X		79	83.0%	17	75.3%	1	84.6%
7372	IND	X		145	83.1%	49	63.0%	5	7.0%
7376	IND	X		49	83.4%	22	61.1%	17	10.9%
7389	CHN	X	X	226	84.8%	108	64.5%	57	14.4%
7445	IND	X		143	82.9%	47	78.1%	17	13.4%
7483	IND	X		2	80.9%	2	80.0%		
7484	IND	X		200	82.9%	69	69.0%	29	14.0%
7489	CHN	X		674	83.4%	267	62.3%	151	12.8%
7518	CHN	X	X	201	85.0%	83	67.8%	33	13.2%
7526	IND			71	82.5%	26	68.4%	5	20.8%
7536	IND	X				4	52.6%	3	18.8%
7569	CHN	X	X	92	84.9%	31	69.7%	13	10.4%
7582	CHN	X	X	60	85.4%	19	55.5%	10	14.1%
7586	CHN	X	X	572	83.1%	203	57.5%	113	11.0%
7588	CHN	X		96	82.3%	44	69.1%	24	14.8%
7621	IND	X		6	77.6%	3	59.6%		
7637	IND	X		151	83.0%	38	65.9%	14	14.7%
7659	CHN	X		43	85.1%	19	72.8%	9	14.6%
7727	IND	X		55	83.0%	28	78.5%	9	9.3%
7744	IND	X		318	84.1%	108	70.3%	76	10.9%
7749	CHN	X	X	85	85.0%	30	68.0%	13	11.5%
7753	IND	X		121	84.9%	41	75.5%	13	8.4%
7759	IND	X		42	85.6%	13	73.9%	10	15.8%
7765	INST			56	79.6%	23	34.6%	16	11.4%
7810	CHN	X		227	82.2%	86	52.3%	46	11.4%
7831	IND	X		50	82.3%	9	76.1%		

Exhibit 3

Acquisition Cost Summary by Pharmacy
Single Source and Multi-Source Drug Products
Study of Medi-Cal Pharmacy Reimbursement

				Single Source Products		Multi-Source Products			
						Without FUL		With FUL	
				Average Acquisition Cost as		Average Acquisition Cost as		Average Acquisition Cost as	
Assigned Number	Pharmacy Type	Urban	Internal Invoices	Number of Observations	Percent of the AWP	Number of Observations	Percent of the AWP	Number of Observations	Percent of the AWP
A	B	C	D	E	F	G	H	I	J
7839	IND	X		76	85.3%	35	67.5%	18	7.0%
7933	IND	X		247	81.9%	100	68.1%	31	11.2%
7943	IND	X		93	84.0%	26	56.5%	12	13.1%
7967	IND	X		354	82.3%	163	61.4%	59	13.3%
7987	IND	X		94	82.8%	32	73.4%	13	19.9%
8020	CHN	X		350	85.0%	142	61.0%	98	23.2%
8062	CHN			556	81.5%	192	69.5%	61	20.1%
8116	CHN	X		334	82.2%	107	52.8%	65	11.7%
8153	IND	X		163	82.0%	85	59.1%	22	8.7%
8197	CHN	X		560	83.2%	191	60.6%	115	11.3%
8198	CHN	X		62	85.1%	20	65.5%	7	12.5%
8234	INST			19	81.7%	12	43.1%	6	16.3%
8283	CHN	X	X	451	83.0%	150	62.6%	57	9.6%
8299	IND			39	88.2%	7	70.3%	4	15.2%
8301	CHN	X		491	83.2%	165	56.3%	85	13.2%
8310	IND	X		9	80.0%	7	59.5%	1	14.0%
8328	IND			223	82.4%	54	67.1%	15	17.0%
8353	CHN	X		57	84.7%	30	52.5%	11	16.3%
8370	CHN	X	X	158	84.8%	54	68.6%	24	15.2%
8372	IND	X		8	80.4%	2	80.0%		
8377	CHN	X	X	64	85.0%	25	68.6%	7	24.6%
8383	CHN	X		172	84.9%	60	69.8%	19	16.0%
8388	CHN	X		386	83.4%	120	53.3%	59	11.2%
8400	CHN	X	X	567	84.8%	220	60.7%	107	22.3%
8417	IND	X		108	85.2%	36	79.6%	17	9.6%
8469	INST			50	83.2%	36	70.8%	14	6.0%
8479	CHN		X	1,244	85.1%	482	65.2%	258	23.1%
8484	CHN	X		536	83.2%	181	58.6%	106	11.6%
8488	CHN	X		507	85.0%	143	63.2%	104	24.6%
8538	IND	X		78	82.4%	20	71.0%	7	11.7%
8569	IND	X		103	83.8%	35	70.3%	19	10.5%
8586	CHN	X		186	82.1%	63	67.6%	11	20.4%
8591	IND	X				1	85.6%		
8594	CHN	X		1,101	84.7%	341	62.9%	179	22.6%
8611	CHN			641	81.5%	164	64.7%	70	17.2%
8659	CHN	X		176	85.1%	73	67.3%	24	13.6%
8693	IND			283	82.0%	63	70.4%	26	15.6%
8697	INST			79	84.0%	18	47.8%	8	17.8%
8712	CHN	X	X	659	83.3%	247	59.0%	122	12.2%
8749	IND	X		94	82.9%	21	57.4%	23	12.3%
8758	CHN	X	X	227	84.7%	137	66.6%	66	13.7%
8811	CHN	X	X	326	83.3%	152	48.3%	84	12.4%
8857	CHN		X	814	85.0%	281	62.2%	175	22.7%
8864	CHN	X		705	83.2%	220	59.9%	103	11.3%
8897	IND	X		41	82.6%	29	60.0%	10	8.8%
8899	CHN	X		125	84.9%	46	75.7%	16	9.4%
8918	CHN	X		571	83.3%	181	58.5%	94	12.1%
8956	IND	X		98	84.5%	24	81.1%		
8978	CHN	X	X	643	83.2%	267	60.9%	124	11.7%
9000	CHN	X	X	629	83.2%	241	61.1%	116	10.3%

Exhibit 3

Acquisition Cost Summary by Pharmacy
Single Source and Multi-Source Drug Products
Study of Medi-Cal Pharmacy Reimbursement

				Single Source Products		Multi-Source Products			
						Without FUL		With FUL	
				Average Acquisition Cost as		Average Acquisition Cost as		Average Acquisition Cost as	
Assigned Number	Pharmacy Type	Urban	Internal Invoices	Number of Observations	Percent of the AWP	Number of Observations	Percent of the AWP	Number of Observations	Percent of the AWP
A	B	C	D	E	F	G	H	I	J
9003	CHN		X	592	84.9%	157	67.4%	121	26.6%
9032	IND	X		77	83.4%	25	68.8%	14	9.1%
9062	IND	X		4	83.8%				
9063	IND	X		110	83.2%	36	72.2%	14	8.4%
9070	CHN	X		573	85.0%	173	59.5%	129	25.3%
9093	IND	X		9	82.4%	3	62.5%	6	21.0%
9112	CHN	X		86	84.7%	42	72.6%	17	14.5%
9150	CHN	X	X	733	83.3%	316	62.9%	157	11.8%
9193	CHN	X		445	83.3%	124	56.4%	78	12.6%
9227	IND	X		5	82.8%	1	83.3%	1	24.2%
9262	IND			206	83.2%	70	70.4%	34	12.7%
9264	IND	X		113	82.5%	64	52.7%	28	14.4%
9267	IND	X		38	83.2%	4	79.1%	1	11.5%
9270	IND	X		57	82.3%	14	79.8%	5	45.3%
9289	CHN	X		418	84.9%	166	64.3%	114	24.7%
9305	CHN	X		191	81.8%	117	55.8%	55	10.7%
9309	CHN	X	X	41	84.7%	15	70.6%	12	13.7%
9314	IND	X		45	84.2%	20	54.9%	20	10.6%
9318	IND	X		141	83.4%	44	56.9%	38	11.9%
9321	IND	X		120	83.4%	39	59.4%	31	11.5%
9376	CHN	X	X	405	84.9%	203	60.0%	104	23.9%
9380	CHN	X		599	85.1%	206	58.7%	130	22.5%
9455	CHN	X	X	478	83.3%	184	58.8%	104	11.2%
9509	IND	X		78	82.2%	17	67.1%	7	16.6%
9521	IND	X		266	84.8%	96	67.1%	54	11.1%
9541	IND			107	82.3%	35	54.9%	13	16.4%
9574	CHN	X	X	180	84.8%	73	65.7%	24	13.1%
9579	IND	X		10	84.3%			6	11.1%
9698	IND	X		135	83.3%	64	64.8%	27	14.2%
9700	IND	X		45	83.0%	9	44.7%	3	19.7%
9705	CHN	X		106	84.9%	58	58.5%	31	13.8%
9712	IND	X		176	82.0%	56	57.2%	18	19.7%
9746	CHN	X		402	83.3%	144	57.1%	107	10.6%
9757	CHN	X	X	240	84.9%	113	67.2%	54	14.2%
9782	IND	X		138	83.1%	22	81.2%	8	18.8%
9784	IND	X		130	82.7%	25	72.2%	2	16.7%
9792	IND	X		132	82.7%	38	53.9%	16	11.5%
9819	CHN	X	X	115	84.9%	46	70.7%	27	11.0%
9905	IND	X		236	82.9%	89	67.5%	27	14.2%
9963	IND	X		137	83.5%	40	65.8%	20	12.9%
9998	CHN	X	X	92	84.5%	40	53.3%	21	11.9%
Number of Stores				487		488		473	
Number of Observations				137,230		49,260		24,966	
Average				83.5%		64.0%		14.6%	
Standard Deviation				1.3%		8.9%		6.1%	
Maximum				88.2%		85.6%		84.6%	
80th Percentile				84.9%		70.4%		17.5%	
Median				83.3%		64.5%		12.9%	
20th Percentile				82.4%		57.9%		11.0%	
Minimum				77.6%		11.4%		3.4%	

Acquisition Cost Summary by Pharmacy

Single Source and Multi-Source Drug Products

Study of Medi-Cal Pharmacy Reimbursement

Explanation of Columns

A. Random number assigned to pharmacy

B. Designates type of pharmacy:

CHN = chain pharmacy,
IND = independent pharmacy,
INST = institutional pharmacy.

Chain versus independent designation is based upon a review by Myers and Stauffer. A chain includes 5 or more stores. The institutional designation is based upon review of the percentage of Medi-Cal prescriptions that were dispensed to residents of long-term care facilities.

C. An "X" in this column indicates that the pharmacy is located in an urban area. Each pharmacy's zip code was used to determine the county in which it was located. Counties in a Metropolitan Statistical Area were considered urban.

D. An "X" in this column indicates that the invoices submitted by the pharmacy were primarily "internal" invoices from a related-party wholesale entity. Drug prices on these invoices do not represent true "arms-length" transactions.

E. Number of invoice line items for single source drugs that matched the top 2,000 list of drugs reimbursed by Medi-Cal.

F. Average acquisition cost as a percent of AWP for single source drugs. The average for each pharmacy was weighted by Medi-Cal volume.

G. Number of invoice line items for multi-source drugs (without an FUL) that matched the top 2,000 list of drugs reimbursed by Medi-Cal.

H. Average acquisition cost as a percent of AWP for multi-source drugs (without an FUL). The average for each pharmacy was weighted by Medi-Cal volume.

I. Number of invoice line items for multi-source drugs (with an FUL) that matched the top 2,000 list of drugs reimbursed by Medi-Cal.

J. Average acquisition cost as a percent of AWP for multi-source drugs (with an FUL). The average for each pharmacy was weighted by Medi-Cal volume.

**Acquisition Cost Summary by Drug
Top 200 Single Source Drug Products
Study of Medi-Cal Pharmacy Reimbursement**
(Limited to Observations from External Invoices)

NDC Number	Description	No. of Obs.	Average Actual Acquisition Cost	AWP	Average Acquisition Cost as % of AWP	Standard Deviation	DP (if applicable)	Average Acquisition Cost as % of DP
A	B	C	D	E	F	G	H	I
00310040260	ACCOLATE 20MG TABLET	259	0.8888	1.0624	83.7%	0.9%		
62856024330	ACIPHEX 20MG TABLET EC	361	3.1572	3.7743	83.7%	0.9%		
64764030114	ACTOS 30MG TABLET	108	3.9178	4.6770	83.8%	0.8%		
64764045124	ACTOS 45MG TABLET	81	4.2405	5.0644	83.7%	0.9%		
00026885151	ADALAT CC 60MG TABLET SA	145	1.7965	2.2364	80.3%	1.6%		
00026886151	ADALAT CC 90MG TABLET SA	53	2.0706	2.5809	80.2%	1.5%		
00456067299	AEROBID AEROSOL W/ADAPTER	130	7.9689	9.5728	83.2%	2.8%		
00173067200	AGENERASE 150MG CAPSULE	21	1.1157	1.3218	84.4%	0.6%		
00088110247	ALLEGRA 60MG CAPSULE	318	0.8620	1.0344	83.3%	1.5%		
00023866510	ALPHAGAN 0.2% EYE DROPS	181	4.7846	5.9557	80.3%	0.8%		
61570011201	ALTACE 5MG CAPSULE	96	0.8528	1.0616	80.3%	1.4%		
00039022310	AMARYL 4MG TABLET	169	0.6500	0.7774	83.6%	1.5%		
00025542131	AMBIEN 10MG TABLET	287	1.8369	2.2030	83.4%	0.8%		
00025540131	AMBIEN 5MG TABLET	146	1.4909	1.7857	83.5%	1.0%		
00088216130	ARAVA 20MG TABLET	56	6.8398	8.1687	83.7%	0.8%		
62856024630	ARICEPT 10MG TABLET	121	3.4540	4.3455	79.5%	1.6%		
62856024530	ARICEPT 5MG TABLET	154	3.4644	4.3455	79.7%	1.5%		
00025142160	ARTHROTEC 75 TABLET EC	132	1.2700	1.5163	83.8%	1.2%		
00597008214	ATROVENT INHALER	373	2.3212	2.7772	83.6%	1.4%		
00029315920	AVANDIA 4MG TABLET	138	2.0551	2.5565	80.4%	0.9%		
00029315913	AVANDIA 4MG TABLET	29	2.0510	2.5448	80.6%	0.5%		
00029315918	AVANDIA 4MG TABLET	43	2.0350	2.5279	80.5%	0.8%		
00029316013	AVANDIA 8MG TABLET	93	3.7437	4.6576	80.4%	0.8%		
00029316020	AVANDIA 8MG TABLET	68	3.7643	4.6813	80.4%	1.0%		
59627000103	AVONEX ADMIN PACK 30MCG VL	21	186.1756	222.6000	83.6%	0.7%		
00075006037	AZMACORT INHALER	350	2.2263	2.7729	80.3%	1.0%		
50419052115	BETASERON 0.3MG VIAL	2	67.4310	72.0000	93.7%			
00074258660	BIAXIN 500MG TABLET	169	3.0242	3.7650	80.3%	0.8%	3.1705	95.4%
00087081941	BUSPAR 10MG TABLET	91	1.1704	1.4110	83.0%	0.9%		
00087081944	BUSPAR 10MG TABLET	38	1.1364	1.4015	81.1%	0.5%		

**Acquisition Cost Summary by Drug
Top 200 Single Source Drug Products
Study of Medi-Cal Pharmacy Reimbursement**
(Limited to Observations from External Invoices)

NDC Number	Description	No. of Obs.	Average Actual Acquisition Cost	AWP	Average Acquisition Cost as % of AWP	Standard Deviation	DP (if applicable)	Average Acquisition Cost as % of DP
A	B	C	D	E	F	G	H	I
00087082232	BUSPAR 15MG TABLET	176	1.7561	2.0749	84.6%	0.8%		
00087082233	BUSPAR 15MG TABLET	55	1.7238	2.0719	83.2%	0.8%		
00087081841	BUSPAR 5MG TABLET	46	0.6717	0.8087	83.1%	0.8%		
00310070530	CASODEX 50MG TABLET	39	9.9159	11.9001	83.3%	1.4%		
00597003212	CATAPRES-TTS 2 PATCH	50	13.7785	16.6620	82.7%	2.2%		
00597003334	CATAPRES-TTS 3 PATCH	69	19.3078	23.1272	83.5%	1.3%		
00025152031	CELEBREX 100MG CAPSULE	281	1.1945	1.4302	83.5%	1.0%		
00025152531	CELEBREX 200MG CAPSULE	554	2.0199	2.4207	83.4%	1.0%		
00025152551	CELEBREX 200MG CAPSULE	26	2.0204	2.4200	83.5%	0.4%		
00004025901	CELLCEPT 250MG CAPSULE	9	1.9955	2.3903	83.5%	0.7%		
00026851251	CIPRO 250MG TABLET	51	3.1271	3.7621	83.1%	1.7%		
00026851351	CIPRO 500MG TABLET	197	3.6654	4.4038	83.2%	1.1%		
00085112802	CLARITIN 10MG REDI-TABS	441	2.2813	2.7232	83.8%	0.9%		
00173059500	COMBIVIR TABLET	65	8.2555	9.8512	83.8%	0.6%		
00088115003	COPAXONE 20MG INJECTION KIT	14	25.2505	30.1406	83.8%	0.5%		
00006095258	COZAAR 50MG TABLET	160	1.0542	1.3157	80.1%	0.5%	1.0398	101.4%
00006095254	COZAAR 50MG TABLET	39	1.0546	1.3113	80.4%	1.6%	1.0398	101.4%
00006057362	CRIVIVAN 400MG CAPSULE	27	2.1582	2.6851	80.4%	0.8%	2.1341	101.1%
00004027848	CYTOVENE 500MG CAPSULE	3	6.7539	8.0750	83.6%	0.6%		
00074621413	DEPAKOTE 250MG TABLET EC	126	0.7144	0.8864	80.6%	0.9%	0.7465	95.7%
00074621453	DEPAKOTE 250MG TABLET EC	58	0.7143	0.8864	80.6%	1.2%	0.7465	95.7%
00074621513	DEPAKOTE 500MG TABLET EC	170	1.3116	1.6355	80.2%	1.2%	1.3772	95.2%
00074621553	DEPAKOTE 500MG TABLET EC	49	1.3164	1.6350	80.5%	1.2%	1.3768	95.6%
00009454402	DETROL 2MG TABLET	268	1.0638	1.3318	79.9%	1.1%	1.0654	99.9%
00049342030	DIFLUCAN 100MG TABLET	44	5.9476	7.4686	79.6%	1.6%	6.2893	94.6%
00049343030	DIFLUCAN 200MG TABLET	32	9.7862	12.2213	80.1%	1.0%	10.2917	95.1%
00083400101	DIOVAN 160MG CAPSULE	106	1.1252	1.4030	80.2%	1.7%		
00083400001	DIOVAN 80MG CAPSULE	169	1.0384	1.2936	80.3%	0.9%		
00078031505	DIOVAN HCT 160/12.5MG TAB	56	1.1808	1.4710	80.3%	0.8%		
17314850001	DITROPAN XL 5MG TABLET SA	65	1.8826	2.3683	79.5%	2.2%		

Acquisition Cost Summary by Drug
Top 200 Single Source Drug Products
Study of Medi-Cal Pharmacy Reimbursement
(Limited to Observations from External Invoices)

NDC Number	Description	No. of Obs.	Average Actual Acquisition Cost	AWP	Average Acquisition Cost as % of AWP	Standard Deviation	DP (if applicable)	Average Acquisition Cost as % of DP
A	B	C	D	E	F	G	H	I
50458003605	DURAGESIC 100MG/HR PATCH	46	32.8063	39.7178	82.6%	3.0%		
50458003505	DURAGESIC 75MG/HR PATCH	27	26.3957	31.9590	82.6%	2.7%		
00008083601	EFFEXOR XR 150MG CAPSULE SA	79	2.0253	2.5288	80.1%	0.6%	2.0230	100.1%
00008083701	EFFEXOR XR 37.5MG CAP SA	42	1.6621	2.0728	80.2%	0.5%	1.6582	100.2%
00008083301	EFFEXOR XR 75MG CAPSULE SA	150	1.8583	2.3217	80.0%	0.6%	1.8573	100.1%
58406042534	ENBREL 25MG KIT	24	113.6694	141.4875	80.3%	1.0%		
00173047001	EPIVIR 150MG TABLET	82	3.8079	4.5432	83.8%	0.8%		
00002416530	EVISTA 60MG TABLET	166	1.7792	2.1271	83.6%	0.9%		
00004024648	FORTOVASE 200MG SOFTGEL CAP	30	0.9937	1.1886	83.6%	0.5%		
00006093658	FOSAMAX 10MG TABLET	131	1.7413	2.1407	81.4%	1.9%	1.7374	100.2%
00006093631	FOSAMAX 10MG TABLET	140	1.7463	2.1574	81.0%	2.1%	1.7443	100.1%
00087607111	GLUCOPHAGE 1000MG TABLET	251	1.1858	1.4218	83.4%	1.0%		
00087606005	GLUCOPHAGE 500MG TABLET	441	0.5740	0.6900	83.2%	1.0%		
00087606010	GLUCOPHAGE 500MG TABLET	159	0.5722	0.6899	82.9%	1.3%		
00087607005	GLUCOPHAGE 850MG TABLET	271	0.9782	1.1720	83.5%	0.8%		
00006071758	HYZAAR 50-12.5 TABLET	80	1.0515	1.3125	80.1%	0.5%	1.0398	101.1%
00006071731	HYZAAR 50-12.5 TABLET	32	1.0553	1.3174	80.1%	0.8%	1.0398	101.5%
00173045900	IMITREX 50MG TABLET	209	13.3421	16.0066	83.4%	0.9%		
00173064255	LAMICTAL 100MG TABLET	54	1.8539	2.2056	84.1%	1.5%		
00173063302	LAMICTAL 25MG TABLET	42	1.7370	2.0789	83.6%	1.8%		
00078017605	LESCOL 20MG CAPSULE	123	1.1513	1.3745	83.8%	0.8%		
00045152050	LEVAQUIN 250MG TABLET	26	6.0753	7.3066	83.1%	1.5%		
00045152550	LEVAQUIN 500MG TABLET	152	7.0972	8.5340	83.2%	1.4%		
00071015523	LIPITOR 10MG TABLET	576	1.6433	1.9710	83.4%	1.1%	1.8725	87.8%
00071015623	LIPITOR 20MG TABLET	400	2.5397	3.0474	83.3%	1.1%	2.8951	87.7%
00071015723	LIPITOR 40MG TABLET	143	2.9140	3.4979	83.3%	0.8%	3.3230	87.7%
00083006330	LOTENSIN 10MG TABLET	330	0.7243	0.8665	83.6%	1.0%		
00083007930	LOTENSIN 20MG TABLET	326	0.7249	0.8664	83.7%	1.1%		
00083009430	LOTENSIN 40MG TABLET	147	0.7260	0.8664	83.8%	1.1%		
00083005930	LOTENSIN 5MG TABLET	99	0.7235	0.8671	83.4%	1.5%		

**Acquisition Cost Summary by Drug
Top 200 Single Source Drug Products
Study of Medi-Cal Pharmacy Reimbursement**
(Limited to Observations from External Invoices)

NDC Number	Description	No. of Obs.	Average Actual Acquisition Cost	AWP	Average Acquisition Cost as % of AWP	Standard Deviation	DP (if applicable)	Average Acquisition Cost as % of DP
A	B	C	D	E	F	G	H	I
00083226030	LOTREL 5/10MG CAPSULE	96	1.4635	1.7483	83.7%	0.6%		
00083226530	LOTREL 5/20MG CAPSULE	104	1.5539	1.8514	83.9%	0.9%		
00149071001	MACROBID 100MG CAPSULE	108	1.3584	1.6259	83.6%	1.3%		
00015050842	MEGACE 40MG/ML ORAL SUSP	103	0.5149	0.6162	83.6%	0.8%		
00006073161	MEVACOR 20MG TABLET	62	1.9808	2.4697	80.2%	0.8%	1.9770	100.2%
00078031190	MIACALCIN 200U NASAL SPRAY	296	13.0625	15.6383	83.5%	1.3%		
00085119701	NASONEX 50MCG NASAL SPRAY	487	2.6529	3.1682	83.7%	0.8%		
55513053010	NEUPOGEN 300MCG/ML VIAL	2	139.2930	180.4000	77.2%			
00071080324	NEURONTIN 100MG CAPSULE	205	0.3877	0.4645	83.5%	1.5%	0.4412	87.9%
00071080524	NEURONTIN 300MG CAPSULE	453	0.9655	1.1610	83.2%	1.4%	1.1029	87.5%
00071080624	NEURONTIN 400MG CAPSULE	146	1.1611	1.3935	83.3%	1.5%	1.3238	87.7%
00069154068	NORVASC 10MG TABLET	303	1.7435	2.1744	80.2%	1.0%	1.8308	95.2%
00069152068	NORVASC 2.5MG TABLET	93	1.0951	1.3651	80.2%	0.9%	1.1492	95.3%
00069153068	NORVASC 5MG TABLET	149	1.0909	1.3651	79.9%	1.0%	1.1266	96.8%
00069153072	NORVASC 5MG TABLET	148	1.0711	1.3379	80.1%	1.1%	1.1266	95.1%
00074663322	NORVIR 100MG SOFTGEL CAP	31	1.5708	1.9513	80.5%	0.5%	1.6432	95.6%
00062190315	ORTHO TRI-CYCLEN 28 TABLET	212	0.9182	1.0963	83.8%	0.9%		
54396011111	OXANDRIN 2.5MG TABLET	6	3.3393	4.0438	82.6%	0.5%		
59011010310	OXYCONTIN 20MG TABLET SA	63	1.8724	2.3469	79.8%	2.9%		
59011010510	OXYCONTIN 40MG TABLET SA	51	3.3548	4.1706	80.4%	0.6%		
59011010710	OXYCONTIN 80MG TABLET SA	29	6.3138	7.8537	80.4%	0.7%		
00065027105	PATANOL 0.1% EYE DROPS	249	9.7056	11.7804	82.5%	3.0%		
00029321013	PAXIL 10MG TABLET	309	1.9884	2.3746	83.7%	0.8%		
00029321120	PAXIL 20MG TABLET	401	2.0754	2.4879	83.4%	1.0%		
00029321113	PAXIL 20MG TABLET	40	2.0949	2.4843	84.3%	1.1%		
00029321213	PAXIL 30MG TABLET	164	2.1456	2.5597	83.8%	0.8%		
00029321313	PAXIL 40MG TABLET	213	2.2615	2.7037	83.6%	1.0%		
00006096358	PEPCID 20MG TABLET	191	1.4934	1.8621	80.2%	0.8%	1.4746	101.3%
00006096331	PEPCID 20MG TABLET	31	1.4928	1.8520	80.6%	0.7%	1.4746	101.2%
00006096382	PEPCID 20MG TABLET	18	1.4782	1.8533	79.8%	0.3%	1.4746	100.2%

**Acquisition Cost Summary by Drug
Top 200 Single Source Drug Products
Study of Medi-Cal Pharmacy Reimbursement**
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A	B	C	D	E	F	G	H	I
00006096458	PEPCID 40MG TABLET	42	2.8809	3.6082	79.8%	1.9%	2.8500	101.1%
00006096431	PEPCID 40MG TABLET	13	2.8693	3.5760	80.2%	0.3%	2.8500	100.7%
63653117101	PLAVIX 75MG TABLET	180	2.6705	3.2146	83.1%	0.8%		
63653117106	PLAVIX 75MG TABLET	38	2.6822	3.2146	83.4%	0.5%		
00169008481	PRANDIN 2MG TABLET	85	0.6932	0.8300	83.5%	0.8%		
00003515405	PRAVACHOL 10MG TABLET	39	1.8166	2.2571	80.5%	0.8%	1.9007	95.6%
00003517805	PRAVACHOL 20MG TABLET	283	1.9479	2.4300	80.2%	0.9%	2.0461	95.2%
00003519410	PRAVACHOL 40MG TABLET	210	3.1596	3.9426	80.1%	0.9%	3.3200	95.2%
00046086781	PREMARIN 0.625MG TABLET	128	0.5078	0.6379	79.6%	1.3%		
00046087506	PREMPRO 0.625/2.5MG TABLET	402	0.7940	0.9926	80.0%	0.8%		
00300154130	PREVACID 15MG CAPSULE DR	284	3.1994	3.8274	83.6%	1.1%		
00300304613	PREVACID 30MG CAPSULE DR	402	3.2645	3.9004	83.7%	1.0%		
00300304619	PREVACID 30MG CAPSULE DR	8	3.0842	3.9093	78.9%	5.3%		
00186074231	PRILOSEC 20MG CAPSULE DR	655	3.4587	4.1391	83.6%	0.9%		
00186074282	PRILOSEC 20MG CAPSULE DR	18	3.4146	4.1394	82.5%	1.1%		
00186074331	PRILOSEC 40MG CAPSULE DR	83	4.9746	5.9400	83.7%	1.0%		
00469061771	PROGRAF 1MG CAPSULE	22	2.3681	2.9571	80.1%	1.0%		
00085113201	PROVENTIL HFA 90MCG INHALER	242	3.8538	4.6053	83.7%	0.9%		
00777310402	PROZAC 10MG PULVULE	131	2.1929	2.6139	83.9%	1.4%		
00777310502	PROZAC 20MG PULVULE	426	2.2563	2.7138	83.2%	1.3%		
00777310507	PROZAC 20MG PULVULE	4	2.2604	2.6600	85.0%	2.8%		
00186091542	PULMICORT 200MCG TURBUHALER	92	102.1628	122.1009	83.7%	0.8%		
00085125802	REBETRON 1000 THERAPY PAK	18	579.4819	683.8900	84.7%	1.8%		
00085124102	REBETRON 1000 THERAPY PAK	9	579.5900	683.8900	84.7%	2.1%		
00085125801	REBETRON 1200 THERAPY PAK	32	640.4892	755.7000	84.8%	1.7%		
00085124101	REBETRON 1200 THERAPY PAK	15	639.9053	748.6000	85.5%	1.4%		
00052010530	REMERON 15MG TABLET	127	2.0171	2.4871	81.1%	5.4%		
00052010730	REMERON 30MG TABLET	158	2.1345	2.5711	83.0%	3.1%		
58468470901	RENAGEL 403MG CAPSULE	31	0.4733	0.5662	83.6%	0.6%		
50458030206	RISPERDAL 0.5MG TABLET	68	2.1631	2.5880	83.6%	0.8%		

Acquisition Cost Summary by Drug
Top 200 Single Source Drug Products
Study of Medi-Cal Pharmacy Reimbursement
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A	B	C	D	E	F	G	H	I
50458030250	RISPERDAL 0.5MG TABLET	2	2.0662	2.5333	81.6%	2.0%		
50458030006	RISPERDAL 1MG TABLET	139	2.1680	2.6029	83.3%	1.2%		
50458030050	RISPERDAL 1MG TABLET	18	2.1339	2.5540	83.6%	0.4%		
50458030503	RISPERDAL 1MG/ML SOLUTION	22	2.6321	3.1817	82.7%	1.3%		
50458032006	RISPERDAL 2MG TABLET	101	3.6307	4.3375	83.7%	1.2%		
50458032050	RISPERDAL 2MG TABLET	18	3.5821	4.2857	83.6%	0.5%		
50458033006	RISPERDAL 3MG TABLET	94	4.2487	5.0858	83.5%	1.1%		
50458033050	RISPERDAL 3MG TABLET	16	4.2594	5.1014	83.5%	1.1%		
50458035006	RISPERDAL 4MG TABLET	44	5.6602	6.7813	83.5%	0.9%		
00078024115	SANDIMMUNE 100MG CAPSULE	7	5.6558	6.7966	83.2%	0.3%		
00173046400	SEREVENT 21MCG INHALER	371	4.3876	5.2715	83.2%	1.5%		
00310027110	SEROQUEL 100MG TABLET	112	2.1018	2.5308	83.0%	2.1%		
00310027210	SEROQUEL 200MG TABLET	59	3.9898	4.7679	83.7%	0.8%		
00310027510	SEROQUEL 25MG TABLET	71	1.1428	1.3897	82.2%	2.2%		
44087000607	SEROSTIM 6MG VIAL	4	210.6043	252.0000	83.6%			
00087003231	SERZONE 100MG TABLET	122	1.0339	1.2402	83.4%	0.8%		
00087003931	SERZONE 150MG TABLET	131	1.0345	1.24021	83.4%	0.7%		
00006011731	SINGULAR 10MG TABLET	136	2.0797	2.5898	80.3%	0.5%	2.0718	100.4%
00062546003	SPECTAZOLE 1% CREAM	106	0.5332	0.6362	83.8%	0.9%		
50458029004	SPORANOX 100MG CAPSULE	32	6.0596	7.2448	83.6%	0.5%		
00056047492	SUSTIVA 200MG CAPSULE	51	3.6752	4.3800	83.9%	0.5%		
60574411101	SYNAGIS 100MG VIAL	1	963.6800	1,222.9375	78.8%			
63430006501	TOBI 300MG/5ML SOLUTION	4	7.4024	8.8500	83.7%	0.4%		
00045064165	TOPAMAX 100MG TABLET	69	2.5250	3.0266	83.4%	0.9%		
00045063965	TOPAMAX 25MG TABLET	49	1.0737	1.2886	83.3%	1.3%		
00045065960	ULTRAM 50MG TABLET	259	0.6660	0.7984	83.4%	1.3%		
00045065970	ULTRAM 50MG TABLET	113	0.6663	0.7972	83.6%	1.0%		
00085104901	VANCENASE AQ 84MCG SPRAY	355	2.5073	2.9896	83.9%	0.8%		
00006007468	VIOXX 12.5MG TABLET	84	2.0370	2.5241	80.7%	1.4%	2.0200	100.8%
00006011068	VIOXX 25MG TABLET	334	2.0383	2.5236	80.8%	1.5%	2.0200	100.9%

Acquisition Cost Summary by Drug
Top 200 Single Source Drug Products
Study of Medi-Cal Pharmacy Reimbursement
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A	B	C	D	E	F	G	H	I
63010001030	VIRACEPT 250MG TABLET	63	1.8910	2.2560	83.8%	0.8%		
00054464725	VIRAMUNE 200MG TABLET	10	3.9233	4.8715	80.5%	4.7%		
00054464721	VIRAMUNE 200MG TABLET	24	4.0867	4.8715	83.9%	0.4%		
00173013555	WELLBUTRIN SR 150MG TAB SA	312	1.2924	1.5497	83.4%	1.3%		
00013830304	XALATAN 0.005% EYE DROPS	431	15.3122	19.0965	80.2%	0.8%		
00003196501	ZERIT 20MG CAPSULE	5	3.7307	4.6626	80.0%	0.6%	3.7301	100.0%
00003196601	ZERIT 30MG CAPSULE	10	3.9508	4.9008	80.6%	0.6%	3.9207	100.8%
00003196701	ZERIT 40MG CAPSULE	73	4.0851	5.0703	80.6%	0.7%	4.0563	100.7%
00173066101	ZIAGEN 300MG TABLET	44	5.1167	6.1052	83.8%	0.6%		
00069308030	ZITHROMAX 600MG TABLET	11	13.0075	16.2110	80.2%	1.2%	13.6513	95.3%
00006073561	ZOCOR 10MG TABLET	55	1.8249	2.2796	80.1%	0.7%	1.8236	100.1%
00006074061	ZOCOR 20MG TABLET	191	3.1843	3.9774	80.1%	0.7%	3.1820	100.1%
00006074961	ZOCOR 40MG TABLET	130	3.1860	3.9751	80.2%	0.8%	3.1802	100.2%
00049491066	ZOLOFT 100MG TABLET	182	1.9275	2.4098	80.0%	0.9%	2.0288	95.0%
00002411760	ZYPREXA 10MG TABLET	258	7.2112	8.6453	83.4%	0.8%		
00002411733	ZYPREXA 10MG TABLET	3	7.2922	8.6440	84.4%	0.5%		
00002411260	ZYPREXA 2.5MG TABLET	98	4.0353	4.8140	83.8%	0.8%		
00002411560	ZYPREXA 5MG TABLET	187	4.7518	5.6861	83.6%	0.9%		
00002411660	ZYPREXA 7.5MG TABLET	50	4.7730	5.6858	83.9%	0.6%		
00069551066	ZYRTEC 10MG TABLET	258	1.5345	1.9176	80.0%	0.9%	1.6148	95.0%

Explanation of Columns

- A: National Drug Code Number
B: Product Description
C: Number of invoice line items matched.
D: Average acquisition cost per unit observed in the invoices.
E: Average of May 2000 and November 2000 AWP per unit weighted by quantity purchased.
F: Average acquisition cost as % of AWP.
G: Standard deviation of acquisition cost as a percent of AWP for each invoice line item.
H: Average of May 2000 and November 2000 Direct Price (DP) per unit weighted by quantity purchased (if applicable).
I: Average acquisition cost as % of DP.

Acquisition Cost Summary by Drug
Top 200 Multi-Source Drug Products without an FUL
Study of Medi-Cal Pharmacy Reimbursement
(Limited to Observations from External Invoices)

NDC Number	Description	No. of Obs.	Average Actual Acquisition Cost	AWP	Average Acquisition Cost as % of AWP	Standard Deviation	DP (if applicable)	Average Acquisition Cost as % of DP
A	B	C	D	E	F	G	H	I
25074013106	ACTICIN 5% CREAM	47	0.2990	0.4286	69.8%	2.3%		
00078031905	ACTIGALL 300MG CAPSULE	29	2.3416	2.8040	83.5%	0.6%		
00026884151	ADALAT CC 30MG TABLET SA	139	0.9890	1.2334	80.2%	1.4%		
59930151504	ALBUTEROL 5MG/ML SOLUTION	172	0.1661	0.7495	22.2%	2.4%		
50383074120	ALBUTEROL 5MG/ML SOLUTION	1	0.1590	0.8251	19.3%			
00008257602	ALESSE-28 TABLET	138	0.8636	1.0794	80.0%	1.1%	0.8636	100.0%
00781120360	AMIODARONE HCL 200MG TABLET	9	0.5729	3.1339	18.3%	3.1%		
00093310905	AMOXICILLIN 500MG CAPSULE	66	0.0418	0.3690	11.3%			
00054408425	AZATHIOPRINE 50MG TABLET	29	0.4664	1.3108	35.6%	5.4%		
50419010510	BETAPACE 80MG TABLET	26	2.1209	2.6442	80.2%	0.6%		
00093029001	BUPROPION HCL 100MG TABLET	44	0.4332	0.9616	45.0%	5.2%		
00093028001	BUPROPION HCL 75MG TABLET	49	0.3234	0.7208	44.9%	5.2%		
00378009401	CARBIDOPA/LEVO 50/200 TB SA	49	1.1471	1.7158	66.9%	3.9%		
00088179542	CARDIZEM CD 120MG CAP SA	20	1.0701	1.3080	81.8%	0.5%		
00088179642	CARDIZEM CD 180MG CAP SA	43	1.2934	1.6180	79.9%	0.6%		
00088179630	CARDIZEM CD 180MG CAP SA	10	1.3435	1.6180	83.0%	0.5%		
00088179742	CARDIZEM CD 240MG CAP SA	30	1.8253	2.1940	83.2%	0.7%		
00088179730	CARDIZEM CD 240MG CAP SA	12	1.8424	2.1940	84.0%	0.4%		
00088179842	CARDIZEM CD 300MG CAP SA	14	2.3664	2.8740	82.3%	2.3%		
00088179830	CARDIZEM CD 300MG CAP SA	4	2.4003	2.8740	83.5%			
00049275066	CARDURA 1MG TABLET	39	0.8198	1.0271	79.8%	1.8%	0.8642	94.9%
00049276066	CARDURA 2MG TABLET	95	0.8233	1.0271	80.2%	1.8%	0.8649	95.2%
00049277066	CARDURA 4MG TABLET	103	0.8627	1.0781	80.0%	1.8%	0.9079	95.0%
00049278066	CARDURA 8MG TABLET	37	0.9075	1.1321	80.2%	1.5%	0.9534	95.2%
62037059790	CARTIA XT 120MG CAPSULE SA	13	0.6998	1.1547	60.6%	6.6%		
62037059890	CARTIA XT 180MG CAPSULE SA	12	0.9103	1.3928	65.4%	7.9%		
62037059990	CARTIA XT 240MG CAPSULE SA	4	1.2147	1.9748	61.5%	1.6%		
62037060090	CARTIA XT 300MG CAPSULE SA	8	1.5744	2.5587	61.5%	6.3%		
00364233701	CLINDAMYCIN HCL 150MG CAPS	23	0.2381	1.1912	20.0%	1.8%		
00093083301	CLONAZEPAM 1MG TABLET	20	0.0614	0.8551	7.2%	2.0%		

Acquisition Cost Summary by Drug
Top 200 Multi-Source Drug Products without an FUL
Study of Medi-Cal Pharmacy Reimbursement
(Limited to Observations from External Invoices)

NDC Number	Description	No. of Obs.	Average Actual Acquisition Cost	AWP	Average Acquisition Cost as % of AWP	Standard Deviation	DP (if applicable)	Average Acquisition Cost as % of DP
A	B	C	D	E	F	G	H	I
00228300411	CLONAZEPAM 1MG TABLET	41	0.0423	0.8574	4.9%	0.5%		
52544074701	CLONAZEPAM 1MG TABLET	31	0.0533	0.8551	6.2%	1.6%		
00228300450	CLONAZEPAM 1MG TABLET	4	0.0440	0.8552	5.1%	0.5%		
00093083401	CLONAZEPAM 2MG TABLET	14	0.0835	1.1840	7.0%	2.2%		
00228300511	CLONAZEPAM 2MG TABLET	17	0.0534	1.1877	4.5%	0.5%		
59930157003	CLOTIRIMAZOLE 1% CREAM	30	0.0789	0.3612	21.8%	1.6%		
59930157002	CLOTIRIMAZOLE 1% CREAM	77	0.0638	0.4466	14.3%	2.6%		
51672127502	CLOTIRIMAZOLE 1% CREAM	7	0.0918	0.7504	12.3%	5.3%		
00172436060	CLOZAPINE 100MG TABLET	4	1.4828	3.1695	46.8%	2.8%		
00172436070	CLOZAPINE 100MG TABLET	6	1.4381	3.1695	45.4%	2.4%		
00172435960	CLOZAPINE 25MG TABLET	2	0.5591	1.2235	45.7%	5.1%		
00078012705	CLOZARIL 100MG TABLET	38	2.9473	3.5226	83.7%	0.8%		
00078012605	CLOZARIL 25MG TABLET	7	1.1328	1.3596	83.3%	0.5%		
00008418804	CORDARONE 200MG TABLET	7	2.4452	3.6696	66.6%	22.6%	2.9357	83.3%
00056016970	COUMADIN 1MG TABLET	69	0.5304	0.6304	84.1%	1.7%		
00056017670	COUMADIN 2.5MG TABLET	67	0.5702	0.6838	83.4%	1.3%		
00056017070	COUMADIN 2MG TABLET	107	0.5538	0.6625	83.6%	1.3%		
00056017270	COUMADIN 5MG TABLET	124	0.5796	0.6928	83.7%	1.0%		
00032122001	CREON 20 CAPSULE SA	10	1.3047	1.6129	80.9%	1.2%		
49502068912	CROMOLYN NEBULIZER SOLUTION	10	0.1283	0.3500	36.7%	3.8%		
00075245201	DDAVP 0.01% NASAL SPRAY	23	24.4111	30.3900	80.3%	0.8%		
24208034205	DESMOPRESSIN 0.1MG/ML SPRAY	29	15.6601	27.0480	57.9%	6.4%		
00074374113	DICAL-D TABLET	18	0.1299	0.1616	80.4%	1.0%	0.1360	95.5%
00071036224	DILANTIN 100MG KAPSEAL	240	0.2255	0.2698	83.6%	1.2%	0.2563	88.0%
00071036232	DILANTIN 100MG KAPSEAL	47	0.2237	0.2698	82.9%	2.1%	0.2563	87.3%
00071221420	DILANTIN 125MG/5ML SUSP	32	0.1186	0.1477	80.3%	7.6%	0.1403	84.5%
00044102402	DILAUDID 4MG TABLET	2	0.6492	0.7731	84.0%	1.2%		
00378534001	DILTIAZEM ER 240MG CAP SA	47	0.4148	1.1460	36.2%	8.9%		
00228257709	DILTIAZEM HCL 180MG CAP SA	16	0.7468	1.2854	58.1%	2.4%		
00228257809	DILTIAZEM HCL 240MG CAP SA	17	1.0773	1.8234	59.1%	1.0%		

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00093511898	DILTIAZEM HCL 240MG CAP SA	35	1.1602	1.9721	58.8%	3.7%		
00378041510	DIPHENOXYLATE/ATROPINE TAB	6	0.0925	0.4800	19.3%	4.1%		
00781123201	ENALAPRIL MALEATE 10MG TAB	1	0.0603	1.0711	5.6%			
00781123301	ENALAPRIL MALEATE 20MG TAB	2	0.0882	1.5237	5.8%			
55513014410	EPOGEN 10000U/ML VIAL	9	104.9472	124.6800	84.2%	1.3%		
55513047810	EPOGEN 20000U/ML VIAL	1	219.7780	263.0800	83.5%			
55513014810	EPOGEN 4000U/ML VIAL	5	41.6266	49.8700	83.5%	0.3%		
00364013702	FOLIC ACID 1MG TABLET	27	0.0096	0.0260	36.8%	8.4%		
59762372707	GLYBURIDE 5MG TABLET	26	0.0817	0.6292	12.7%	4.7%		
55953034480	GLYBURIDE 5MG TABLET	7	0.0603	0.6812	8.9%	3.6%		
38245036420	GLYBURIDE 5MG TABLET	13	0.1033	0.7412	14.0%	1.2%		
38245036410	GLYBURIDE 5MG TABLET	4	0.1190	0.7771	15.3%			
59762372704	GLYBURIDE 5MG TABLET	24	0.0979	0.7529	13.0%	4.1%		
00781145710	GLYBURIDE 5MG TABLET	1	0.0446	0.5305	8.4%			
55953034440	GLYBURIDE 5MG TABLET	1	0.0550	0.7770	7.1%			
00045025446	HALDOL DECANOATE 100 VIAL	3	51.7513	62.1093	83.3%	0.5%		
63323047105	HALOPERIDOL DEC 100MG/ML VL	3	24.8667	49.5000	50.2%	19.0%		
00703702301	HALOPERIDOL DEC 100MG/ML VL	1	18.0000	47.5200	37.9%			
00002871501	HUMULIN 70/30 VIAL	208	2.0189	2.4100	83.8%	0.9%		
00002831501	HUMULIN N 100U/ML VIAL	202	2.0239	2.4106	84.0%	0.9%		
00002821501	HUMULIN R 100U/ML VIAL	98	2.0219	2.4100	83.9%	0.9%		
00074380613	HYTRIN 2MG CAPSULE	21	1.5313	1.9071	80.3%	0.8%	1.6060	95.3%
00074380713	HYTRIN 5MG CAPSULE	15	1.5301	1.9071	80.2%	0.5%	1.6060	95.3%
00472127016	IBUPROFEN 100MG/5ML SUSP	59	0.0325	0.0506	64.2%	2.9%		
49884046805	IBUPROFEN 600MG TABLET	70	0.0252	0.2403	10.5%	0.6%		
00364076605	IBUPROFEN 600MG TABLET	30	0.0254	0.2288	11.1%	0.7%		
49884046905	IBUPROFEN 800MG TABLET	61	0.0369	0.3048	12.1%	0.8%		
00364213705	IBUPROFEN 800MG TABLET	36	0.0367	0.2902	12.7%	0.3%		
00085411003	IMDUR 60MG TABLET SA	12	1.2912	1.5397	83.9%	1.3%		
49502068503	IPRATROPIUM BR 0.02% SOLN	64	0.2115	0.7056	30.0%	4.7%		

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A	B	C	D	E	F	G	H	I
00054840211	IPRATROPIUM BR 0.02% SOLN	19	0.1967	0.5875	33.5%	5.4%		
59930154901	ISOSORBIDE MN 60MG TAB SA	120	0.1188	1.1740	10.1%	2.6%		
00228271111	ISOSORBIDE MN 60MG TAB SA	2	0.2845	1.3591	20.9%			
000053328643	KETOPROFEN 75MG CAPSULE	19	0.0902	1.0221	8.8%	0.9%	0.9710	9.3%
59930163601	LABETALOL HCL 200MG TABLET	23	0.1238	0.6811	18.2%	0.9%		
00173024275	LANOXIN 125MCG TABLET	59	0.1324	0.1960	68.3%	8.4%		
00173024255	LANOXIN 125MCG TABLET	19	0.1720	0.2081	82.7%	2.3%		
00173024975	LANOXIN 250MCG TABLET	20	0.1308	0.1654	79.1%	2.0%		
00054252731	LITHIUM CARBONATE 300MG CAP	20	0.1316	0.1617	81.4%	4.0%		
00054252725	LITHIUM CARBONATE 300MG CAP	58	0.1372	0.1746	78.6%	2.8%		
00781126210	LONOX TABLET	4	0.1213	0.4786	25.3%	5.4%		
00032421001	LUVOX 100MG TABLET	41	2.2970	2.8771	79.8%	1.7%		
00032420501	LUVOX 50MG TABLET	37	2.2558	2.8078	80.3%	0.8%		
0055057202	METHOTREXATE 2.5MG TABLET	42	0.3361	3.6295	9.3%	3.7%		
59911587401	METHOTREXATE 2.5MG TABLET	4	0.6432	3.6347	17.7%			
00062141101	MICRONOR TABLET	86	1.0728	1.2798	83.8%	0.8%		
00062543403	MONISTAT-DERM 2% CREAM	3	0.5407	0.6431	84.1%	0.7%		
60951065370	MORPHINE SULF 30MG TAB SA	13	0.9488	1.6946	56.0%	3.8%		
60951065570	MORPHINE SULF 60MG TAB SA	11	1.8686	3.3061	56.5%	2.6%		
00034051710	MS CONTIN 100MG TABLET SA	15	4.3956	5.4699	80.4%	1.5%		
00034051510	MS CONTIN 30MG TABLET SA	12	1.4589	1.8934	77.1%	9.3%		
00034051610	MS CONTIN 60MG TABLET SA	6	2.4791	3.6944	67.1%	20.2%		
51479004701	MYAMBUTOL 400MG TABLET	12	1.5866	1.9851	79.9%	0.5%		
24208063110	NEO/POLYMYXIN/HC EAR SOLN	100	0.7673	2.8000	27.4%	5.7%		
24208063562	NEO/POLYMYXIN/HC EAR SUSP	118	0.7570	2.8000	27.0%	4.9%		
00078024815	NEORAL 100MG GELATN CAPSULE	29	5.1072	6.1071	83.6%	0.5%		
00078027422	NEORAL 100MG/ML SOLUTION	2	5.5658	6.6566	83.6%	0.3%		
00078024615	NEORAL 25MG GELATIN CAPSULE	23	1.2779	1.5283	83.6%	0.6%		
00378347501	NIFEDIPINE ER 30MG TAB SA	17	0.9095	1.2915	70.4%	5.0%		
00093102101	NIFEDIPINE ER 30MG TAB SA	75	0.7063	1.0814	65.3%	4.4%		

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00378348201	NIFEDIPINE ER 60MG TAB SA	21	1.5925	2.2678	70.2%	2.3%		
00378349501	NIFEDIPINE ER 90MG TAB SA	17	1.7813	2.6121	68.2%	3.4%		
58177032404	NITROQUICK 0.4MG TABLET SL	187	0.0396	0.0778	51.0%	4.5%		
00071057024	NITROSTAT 0.4MG TABLET SL	33	0.0721	0.0867	83.2%	1.7%		40.2%
50458022160	NIZORAL 2% CREAM	57	0.6378	0.7589	84.0%	0.9%	0.1794	
50458022130	NIZORAL 2% CREAM	53	0.8257	0.9853	83.8%	0.7%		
52544053901	NORCO 10/325 TABLET	123	0.6475	0.7853	82.5%	0.6%		
52544023528	NOR-Q-D TABLET	22	0.9295	1.1400	81.5%	1.0%		
00169183711	NOVOLIN 70/30 100U/ML VIAL	109	1.8201	2.4111	75.5%	12.5%		
00169347718	NOVOLIN 70/30 U100 CARTRIDG	16	3.4777	4.3330	80.3%	0.9%		
00169183411	NOVOLIN N 100U/ML VIAL	59	1.7386	2.4100	72.1%	15.6%		
00169183311	NOVOLIN R 100U/ML VIAL	40	1.5008	2.4100	62.3%	18.4%		
00054479325	ORAMORPH SR 100MG TABLET SA	8	2.7162	4.9395	55.0%	11.8%		
00054480525	ORAMORPH SR 30MG TABLET SA	8	0.8919	1.6532	53.9%	13.6%		
00054479225	ORAMORPH SR 60MG TABLET SA	8	1.5133	3.2254	46.9%	18.2%		
00245014760	PACERONE 200MG TABLET	53	1.0700	3.0594	35.0%	7.8%		
24385009647	PEDIATRIC ELECTROLYTE SOLN	1	0.0017	0.0058	29.5%			
38245067210	PENTOXIFYLLINE 400MG TAB SA	54	0.0919	0.5940	15.5%	1.0%		
00378035701	PENTOXIFYLLINE 400MG TAB SA	26	0.0916	0.6403	14.3%	1.4%		
00228261111	PENTOXIFYLLINE 400MG TAB SA	1	0.1001	0.6405	15.6%			
00065906770	PEPTAMEN LIQUID	1	0.0233	0.0351	66.5%			
00472006708	PHENYTOIN 125MG/5ML SUSPEN	9	0.0922	0.1250	73.8%	3.3%		
00378156010	PHENYTOIN SOD EXT 100MG CAP	10	0.1514	0.2451	61.8%	1.3%		
00378156001	PHENYTOIN SOD EXT 100MG CAP	28	0.1588	0.2451	64.8%	3.4%		
00378202001	PIROXICAM 20MG CAPSULE	16	0.0339	2.6391	1.3%			
00087036701	PREGESTIMIL POWDER	3	0.0490	0.0587	83.4%			
00069265066	PROCARDIA XL 30MG TABLET SA	29	1.1374	1.4266	79.7%	1.5%	1.2013	94.7%
00069265072	PROCARDIA XL 30MG TABLET SA	26	1.1233	1.3980	80.4%	0.9%	1.2013	93.5%
00069266066	PROCARDIA XL 60MG TABLET SA	24	1.9695	2.4686	79.8%	0.9%	2.0788	94.7%
00069266072	PROCARDIA XL 60MG TABLET SA	3	1.9187	2.4192	79.3%	1.8%	2.0788	92.3%

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00069267066	PROCARDIA XL 90MG TABLET SA	19	2.2817	2.8482	80.1%	1.0%	2.3985	95.1%
62269027624	PROCHLORPERAZINE 10MG TAB	29	0.1130	0.8140	13.9%	2.4%		
00713013512	PROCHLORPERAZINE 25MG SUPP	84	2.1192	2.9931	70.9%	6.1%		
59676031001	PROCRIT 10000U/ML VIAL	15	102.1505	124.9712	81.7%	2.7%		
59676031201	PROCRIT 10000U/ML VIAL	2	101.9383	124.6800	81.8%	5.1%		
59676032001	PROCRIT 20000U/ML VIAL	7	201.3450	249.3600	80.7%	3.4%		
59676030301	PROCRIT 3000U/ML VIAL	6	30.2195	37.4034	80.8%	2.5%		
59676034001	PROCRIT 4000U/ML VIAL	6	422.9438	501.6300	84.3%	2.8%		
59676030401	PROCRIT 4000U/ML VIAL	16	41.6367	50.0906	83.1%	2.6%		
00212339162	RESOURCE DIABETIC LIQUID	3	0.0036	0.0077	46.9%			
00056052168	SINEMET CR 50/200 TABLET SA	35	1.5180	1.9159	79.2%	1.7%		
49502083003	SODIUM CHLORIDE 0.9% VIAL	18	0.0274	0.0591	49.5%	13.1%		
00054880925	SODIUM CHLORIDE 0.9% VIAL	1	0.0271	0.1061	25.5%			
00093221005	SUCRALFATE 1GM TABLET	4	0.1513	0.7295	20.7%	0.8%		
00093221001	SUCRALFATE 1GM TABLET	42	0.1754	0.7295	24.0%	2.8%		
00555044609	TAMOXIFEN 10MG TABLET	76	1.4030	1.8189	77.1%	2.0%		
00555090401	TAMOXIFEN 20MG TABLET	61	2.8408	3.64219	78.0%	2.5%		
00378401001	TEMAZEPAM 15MG CAPSULE	58	0.0523	0.6947	7.5%	2.3%		
00378505001	TEMAZEPAM 30MG CAPSULE	53	0.0646	0.8107	8.0%	1.4%		
00781205401	TERAZOSIN 10MG CAPSULE	28	0.2259	1.6038	14.1%	2.3%		
00781205101	TERAZOSIN 1MG CAPSULE	37	0.2382	1.6038	14.9%	3.0%		
00781205201	TERAZOSIN 2MG CAPSULE	70	0.2467	1.6038	15.4%	4.1%		
00781205301	TERAZOSIN 5MG CAPSULE	84	0.2389	1.6038	14.9%	3.5%		
00781164401	THIORIDAZINE 100MG TABLET	2	0.1375	0.6337	21.7%	2.6%		
00781163401	THIORIDAZINE 50MG TABLET	1	0.1013	0.5398	18.8%			
00004001822	TICLID 250MG TABLET	17	1.8228	2.1762	83.8%	0.5%		
61314022505	TIMOLOL 0.5% GEL/SOLUTION	96	3.4829	5.5995	62.2%	1.9%	4.9760	100.5%
00006355803	TIMOPTIC-XE 0.5% EYE SOLN	83	5.0012	6.2200	80.4%	0.8%		
00003010960	TRIMOX 500MG CAPSULE	70	0.0440	0.3807	11.6%	0.8%		
00045044909	TYLENOL EX-STR 500MG CAPLET	5	0.0752	0.0892	84.3%	0.9%		

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00045046870	TYLENOL EX-STR 500MG GELCAP	3	0.0749	0.0892	84.0%	0.6%		
00045049960	TYLENOL EX-STR 500MG TABLET	14	0.0725	0.0892	81.4%	1.2%		
58914000410	ULTRASE MT 20 CAPSULE EC	13	1.2133	1.5119	80.2%	0.4%		
00085064902	VANCENASE 42MCG POCKETHALER	87	5.5513	6.6359	83.7%	0.9%		
00085073604	VANCERIL INHALER	260	2.1665	2.5752	84.1%	1.1%		
00006071368	VASOTEC 10MG TABLET	106	0.9335	1.1632	80.3%	0.6%	0.9306	100.3%
00006071382	VASOTEC 10MG TABLET	3	0.9164	1.1456	80.0%		0.9164	100.0%
00006001468	VASOTEC 2.5MG TABLET	25	0.6933	0.8670	80.0%	0.5%	0.6936	100.0%
00006071468	VASOTEC 20MG TABLET	65	1.3227	1.6478	80.3%	0.5%	1.3182	100.3%
00006071268	VASOTEC 5MG TABLET	81	0.8852	1.1040	80.2%	0.4%	0.8831	100.2%
00006071282	VASOTEC 5MG TABLET	3	0.8728	1.0910	80.0%		0.8728	100.0%
00212713176	VIVONEX PEDIATRIC PACKET	1	3.7386	4.6883	79.7%			
0055083302	WARFARIN SODIUM 5MG TABLET	61	0.2968	0.6368	46.6%	6.8%		
00173017855	WELLBUTRIN 100MG TABLET	24	0.9021	1.0730	84.1%	0.9%		
00173017755	WELLBUTRIN 75MG TABLET	27	0.6759	0.8068	83.8%	0.6%		
00005381638	ZEBETA 5MG TABLET	69	0.9887	1.2293	80.4%	0.9%	0.9834	100.6%
00310013110	ZESTRIL 10MG TABLET	198	0.7911	0.9497	83.3%	1.3%		
00310013210	ZESTRIL 20MG TABLET	212	0.8475	1.0181	83.2%	1.3%		
00310013410	ZESTRIL 40MG TABLET	71	1.2480	1.4941	83.5%	0.8%		
00310013010	ZESTRIL 5MG TABLET	142	0.7701	0.9210	83.6%	1.1%		

Explanation of Columns

- A: National Drug Code Number
B: Product Description
C: Number of invoice line items matched.
D: Average acquisition cost per unit observed in the invoices.
E: Average of May 2000 and November 2000 AWP per unit weighted by quantity purchased.
F: Average acquisition cost as % of AWP.
G: Standard deviation of acquisition cost as a percent of AWP for each invoice line item.
H: Average of May 2000 and November 2000 Direct Price (DP) per unit weighted by quantity purchased (if applicable).
I: Average acquisition cost as % of DP.

Exhibit 6

Acquisition Cost Summary by Drug
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NDC Number	Description	No. of Obs.	Average Actual Acquisition Cost	AWP	Average Acquisition Cost as % of AWP	Standard Deviation	FUL	Average Acquisition Cost as % of FUL
A	B	C	D	E	F	G	H	I
00093015010	ACETAMINOPHEN/COD #3 TABLET	67	0.0495	0.2276	22.1%	3.6%	0.0875	56.6%
00228302096	ACETAMINOPHEN/COD #3 TABLET	38	0.0502	0.2391	21.0%	1.1%	0.0875	57.3%
00093015001	ACETAMINOPHEN/COD #3 TABLET	1	0.0684	0.2450	27.9%	0.0%	0.0875	78.2%
51285030305	ACETAMINOPHEN/COD #3 TABLET	3	0.0497	0.2034	24.4%	1.5%	0.0875	56.8%
00228302010	ACETAMINOPHEN/COD #3 TABLET	2	0.0555	0.2612	21.2%	0.0%	0.0875	63.4%
55953094340	ACYCLOVIR 400MG TABLET	32	0.1111	1.8860	5.9%	0.3%	0.6266	17.7%
00172426860	ACYCLOVIR 800MG TABLET	21	0.2416	4.1293	5.9%	0.3%	1.2680	19.1%
00378030201	ACYCLOVIR 800MG TABLET	1	0.2642	4.2170	6.3%	0.0%	1.2680	20.8%
55953094740	ACYCLOVIR 800MG TABLET	17	0.2275	3.6666	6.2%	0.5%	1.2680	17.9%
17478021612	AK-CON 0.1% EYE DROPS	58	0.1087	0.4753	22.9%	5.0%	0.3150	34.5%
59930150008	ALBUTEROL .83MG/ML SOLUTION	84	0.0706	0.4033	17.5%	2.0%	0.1990	35.5%
49502069703	ALBUTEROL .83MG/ML SOLUTION	74	0.0725	0.4033	18.0%	2.9%	0.1990	36.4%
59930156001	ALBUTEROL 90MCG INHALER	193	0.1462	1.2594	11.6%	1.0%	0.4394	33.3%
00172439018	ALBUTEROL 90MCG INHALER	134	0.1891	1.4319	12.9%	4.0%	0.4394	43.0%
59772617502	ALBUTEROL 90MCG INHALER	35	0.1518	1.2603	12.0%	0.9%	0.4394	34.5%
59930151005	ALBUTEROL SULF 2MG/5ML SYRP	57	0.0044	0.0516	8.5%	0.0%	0.0111	39.7%
00093066116	ALBUTEROL SULF 2MG/5ML SYRP	9	0.0112	0.0617	17.6%	18.0%	0.0111	100.9%
62269021124	AMANTADINE 100MG CAPSULE	56	0.0782	0.3658	21.4%	2.0%	0.1762	44.4%
00093415580	AMOXICILLIN 250MG/5ML SUSP	66	0.0090	0.0474	19.0%	0.9%	0.0185	48.6%
00029600922	AMOXIL 250MG/5ML SUSPENSION	12	0.0114	0.0407	27.9%	9.4%	0.0185	61.4%
00781150701	ATENOLOL 100MG TABLET	62	0.0264	1.0390	2.5%	0.0%	0.0595	44.4%
00781107801	ATENOLOL 25MG TABLET	117	0.0176	0.7026	2.5%	0.0%	0.0413	42.5%
00005321843	ATENOLOL 25MG TABLET	29	0.0242	0.7000	3.5%	1.8%	0.0413	58.5%
00781150610	ATENOLOL 50MG TABLET	46	0.0132	0.6850	1.9%	0.3%	0.0435	30.2%
00378023110	ATENOLOL 50MG TABLET	1	0.0141	0.8050	1.8%	0.0%	0.0435	32.4%
00781150601	ATENOLOL 50MG TABLET	8	0.0187	0.7397	2.5%	0.0%	0.0435	42.9%
00364231201	BACLOFEN 10MG TABLET	31	0.0326	0.3628	9.0%	0.7%	0.0800	40.8%
00172409660	BACLOFEN 10MG TABLET	41	0.0322	0.3706	8.7%	1.0%	0.0805	40.1%
49884016510	BENZTROPINE MES 1MG TABLET	6	0.0134	0.1545	9.1%	3.1%	0.0360	37.3%
49884016501	BENZTROPINE MES 1MG TABLET	6	0.0162	0.1669	10.0%	2.3%	0.0360	45.0%

Acquisition Cost Summary by Drug
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(Limited to Observations from External Invoices)

NDC Number	Description	No. of Obs.	Average Actual Acquisition Cost	Average Acquisition Cost as %			Average Acquisition Cost as % of FUL
				AWP	F	G	
A	B	C	D	E	F	G	H
49884016610	BENZTROPINE MES 2MG TABLET	2	0.0173	0.1781	10.8%	6.0%	0.0397
49884016601	BENZTROPINE MES 2MG TABLET	4	0.0183	0.2240	8.2%	0.3%	0.0397
00093077801	CARBAMAZEPINE 100MG TAB CHW	69	0.1194	0.2088	57.2%	5.9%	0.1478
00093010901	CARBAMAZEPINE 200MG TABLET	3	0.0625	0.3017	20.7%	0.4%	0.1275
00093010910	CARBAMAZEPINE 200MG TABLET	11	0.0606	0.3017	20.1%	2.2%	0.1275
00258358710	CARBAMAZEPINE 200MG TABLET	25	0.0553	0.2209	25.0%	1.4%	0.1275
00228214396	CARBAMAZEPINE 200MG TABLET	2	0.0675	0.2212	30.5%	0.0%	0.1275
51672400501	CARBAMAZEPINE 200MG TABLET	44	0.0579	0.4347	13.3%	3.3%	0.1275
00228214310	CARBAMAZEPINE 200MG TABLET	2	0.0767	0.2986	25.7%	3.1%	0.1275
00258358701	CARBAMAZEPINE 200MG TABLET	8	0.0628	0.2960	21.2%	1.3%	0.1275
00093029301	CARBIDOPA/LEVO 25/100 TAB	25	0.1191	0.6470	18.4%	0.8%	0.2754
60951060568	CARBIDOPA/LEVO 25/100 TAB	33	0.1106	0.6449	17.1%	1.2%	0.2754
00093029310	CARBIDOPA/LEVO 25/100 TAB	4	0.1003	0.5940	16.9%	0.0%	0.2754
00093029401	CARBIDOPA/LEVO 25/250 TAB	28	0.1436	0.8030	17.9%	1.0%	0.3255
00378750001	CEFACLO 500MG CAPSULE	9	0.5179	3.8950	13.3%	4.6%	2.3985
00093314501	CEPHALEXIN 250MG CAPSULE	20	0.0529	0.6390	8.3%	0.3%	0.1103
00093314505	CEPHALEXIN 250MG CAPSULE	24	0.0482	0.5668	8.5%	0.8%	0.1103
00093417774	CEPHALEXIN 250MG/5ML SUSPEN	158	0.0157	0.1253	12.5%	0.9%	0.0315
00093417773	CEPHALEXIN 250MG/5ML SUSPEN	47	0.0182	0.1284	14.1%	0.8%	0.0789
00093314705	CEPHALEXIN 500MG CAPSULE	114	0.0827	1.1139	7.4%	0.8%	0.2025
00093314701	CEPHALEXIN 500MG CAPSULE	15	0.0939	1.2596	7.5%	1.1%	0.2025
55953011470	CEPHALEXIN 500MG CAPSULE	5	0.0941	0.9564	10.1%	1.5%	0.2025
00003087460	CEPHALEXIN 500MG CAPSULE	7	0.0923	0.8170	11.3%	1.7%	0.2025
00172407470	CEPHALEXIN 500MG CAPSULE	2	0.0759	1.0919	7.0%	0.7%	0.2025
00781144901	CIMETIDINE 400MG TABLET	3	0.0638	1.4631	4.4%	0.3%	0.1770
00378037205	CIMETIDINE 400MG TABLET	5	0.0511	1.6120	3.2%	0.0%	0.1770
00781144905	CIMETIDINE 400MG TABLET	2	0.0598	1.4337	4.2%	0.0%	0.1770
00172717170	CIMETIDINE 400MG TABLET	22	0.0524	1.5085	3.5%	0.3%	0.1743
52544059401	CLOMIPRAMINE 25MG CAPSULE	6	0.0710	0.8286	8.6%	0.9%	0.5896
52544059501	CLOMIPRAMINE 50MG CAPSULE	8	0.1559	1.1162	14.0%	8.6%	0.7909

Exhibit 6

Acquisition Cost Summary by Drug
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A	B	C	D	E	F	G	H	I
00781203701	CLOMIPRAMINE 50MG CAPSULE	6	0.1651	1.0646	15.5%	2.6%	0.7909	20.9%
00093083201	CLONAZEPAM 0.5MG TABLET	28	0.0478	0.7490	6.4%	0.9%	0.4146	11.5%
00228300311	CLONAZEPAM 0.5MG TABLET	46	0.0248	0.7552	3.3%	0.8%	0.4146	6.0%
52544074601	CLONAZEPAM 0.5MG TABLET	34	0.0371	0.7490	5.0%	0.9%	0.4146	9.0%
00228300350	CLONAZEPAM 0.5MG TABLET	4	0.0378	0.7106	5.3%	0.6%	0.4146	9.1%
52544074605	CLONAZEPAM 0.5MG TABLET	3	0.0862	0.7100	12.1%	12.9%	0.4146	20.8%
62037095205	CLONAZEPAM 0.5MG TABLET	2	0.0339	0.6424	5.3%	0.0%	0.4146	8.2%
00781178701	DICLOFENAC SOD 50MG TAB EC	41	0.1323	0.9068	14.6%	7.6%	0.7490	17.7%
00228255011	DICLOFENAC SOD 50MG TAB EC	13	0.1089	0.9457	11.5%	1.0%	0.7490	14.5%
00781178901	DICLOFENAC SOD 75MG TAB EC	28	0.1350	1.0646	12.7%	5.0%	0.9219	14.6%
00781178910	DICLOFENAC SOD 75MG TAB EC	10	0.1222	1.0113	12.1%	4.8%	0.9219	13.3%
00228255111	DICLOFENAC SOD 75MG TAB EC	28	0.0988	1.1447	8.6%	1.4%	0.9219	10.7%
59772605801	DICLOXACILLIN 500MG CAPSULE	26	0.1317	0.7562	17.4%	3.5%	0.6585	20.0%
00555005905	DIPHENHYDRAMINE 50MG CAPS	12	0.0156	0.0276	56.5%	1.4%	0.0141	110.6%
00472136016	ENULOSE 10GM/15ML SYRUP	57	0.0078	0.0691	11.3%	4.9%	0.0228	34.2%
00555044523	ERYTHROMYCIN/SULFISOX SUSP	32	0.0387	0.1239	31.2%	5.7%	0.0683	56.6%
00555044521	ERYTHROMYCIN/SULFISOX SUSP	25	0.0356	0.1253	28.4%	3.9%	0.0715	49.8%
00555044522	ERYTHROMYCIN/SULFISOX SUSP	13	0.0412	0.1270	32.4%	7.5%	0.0746	55.2%
00093026492	FLUOCINONIDE 0.05% OINTMENT	38	0.1946	0.7668	25.4%	2.6%	0.5777	33.7%
00781143901	FLUPHENAZINE 10MG TABLET	3	0.1422	1.1476	12.4%	1.5%	0.4224	33.7%
00781143801	FLUPHENAZINE 5MG TABLET	4	0.1016	0.8996	11.3%	0.7%	0.3521	28.8%
00378443001	FLURAZEPAM 30MG CAPSULE	28	0.0620	0.3460	17.9%	3.2%	0.0675	91.9%
00378443005	FLURAZEPAM 30MG CAPSULE	12	0.0544	0.3375	16.1%	3.3%	0.0675	80.5%
00378020810	FUROSEMIDE 20MG TABLET	50	0.0131	0.1399	9.3%	3.0%	0.0210	62.2%
00781181810	FUROSEMIDE 20MG TABLET	1	0.0157	0.1228	12.8%	0.0%	0.0210	74.8%
00378021610	FUROSEMIDE 40MG TABLET	80	0.0159	0.1596	9.9%	2.6%	0.0254	62.5%
00781196610	FUROSEMIDE 40MG TABLET	4	0.0197	0.1403	14.0%	0.0%	0.0254	77.5%
00378021601	FUROSEMIDE 40MG TABLET	13	0.0240	0.1630	14.7%	3.0%	0.0254	94.5%
00378023201	FUROSEMIDE 80MG TABLET	22	0.0360	0.4370	8.2%	1.4%	0.0473	76.1%
00093067005	GEMFIBROZIL 600MG TABLET	28	0.0890	1.0659	8.3%	1.5%	0.1800	49.4%

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A	B	C	D	E	F	G	H	I
00047008430	GEMFIBROZIL 600MG TABLET	22	0.0718	0.9870	7.3%	0.3%	0.1800	39.9%
00047008420	GEMFIBROZIL 600MG TABLET	15	0.0663	0.9926	6.7%	0.0%	0.1800	36.8%
00093067006	GEMFIBROZIL 600MG TABLET	41	0.1108	1.2179	9.1%	2.0%	0.1800	61.5%
00781145310	GLIPIZIDE 10MG TABLET	27	0.0279	0.5287	5.3%	0.4%	0.0930	30.0%
00781145301	GLIPIZIDE 10MG TABLET	30	0.0347	0.5850	5.9%	1.1%	0.0930	37.4%
00378111001	GLIPIZIDE 10MG TABLET	1	0.0524	0.5976	8.8%	0.0%	0.0930	56.3%
52544046105	GLIPIZIDE 10MG TABLET	10	0.0396	0.6070	6.5%	0.6%	0.0930	42.5%
00781145210	GLIPIZIDE 5MG TABLET	22	0.0155	0.2883	5.4%	0.3%	0.0635	24.3%
00781145201	GLIPIZIDE 5MG TABLET	24	0.0199	0.3186	6.3%	0.5%	0.0635	31.4%
52544046005	GLIPIZIDE 5MG TABLET	7	0.0248	0.3377	7.4%	1.3%	0.0635	39.1%
59930162101	GRISOFULVIN ULTRA 250MG TB	24	0.2250	0.6496	34.6%	2.4%	0.5093	44.2%
52544044401	GUANFACINE 1MG TABLET	27	0.1298	0.8720	14.9%	3.5%	0.6293	20.6%
00378116001	GUANFACINE 1MG TABLET	15	0.1503	0.8720	17.2%	7.9%	0.6293	23.9%
52544038705	HYDROCODONE/APAP 7.5/750 TB	103	0.0531	0.3640	14.6%	1.1%	0.1462	36.3%
00168008031	HYDROCORTISONE 2.5% CREAM	29	0.0816	0.2947	27.7%	3.6%	0.1420	57.5%
62269025024	HYDROXYCHLOROQUINE 200MG TB	28	0.1830	1.0836	16.9%	1.8%	0.7763	23.6%
52544069801	HYDROXYCHLOROQUINE 200MG TB	37	0.1713	1.2320	13.9%	0.8%	0.7763	22.1%
00781155610	ISOSORBIDE DN 10MG TABLET	18	0.0048	0.0366	13.0%	1.0%	0.0188	25.3%
00245004015	KLOR-CON 8MEQ TABLET SA	18	0.0403	0.1741	23.1%	5.8%	0.0765	52.7%
00245004011	KLOR-CON 8MEQ TABLET SA	11	0.0383	0.1774	21.6%	6.0%	0.0765	50.1%
00781140305	LORAZEPAM 0.5MG TABLET	8	0.0841	0.6252	13.4%	2.1%	0.5088	16.5%
00781140401	LORAZEPAM 1MG TABLET	4	0.1628	0.8377	19.4%	5.5%	0.6684	24.3%
00781140410	LORAZEPAM 1MG TABLET	3	0.0990	0.7967	12.4%	2.6%	0.6684	14.8%
00378045701	LORAZEPAM 1MG TABLET	3	0.1138	0.8817	12.9%	4.6%	0.6684	17.0%
00228205950	LORAZEPAM 1MG TABLET	2	0.1060	0.8616	12.3%	0.0%	0.6684	15.9%
00378045705	LORAZEPAM 1MG TABLET	12	0.1261	0.8613	14.6%	6.5%	0.6684	18.9%
00378077701	LORAZEPAM 2MG TABLET	20	0.1561	1.2843	12.2%	5.4%	0.9910	15.8%
00781140501	LORAZEPAM 2MG TABLET	5	0.1744	1.2211	14.3%	1.7%	0.9910	17.6%
49884003510	MECLIZINE 25MG TABLET	19	0.0189	0.4570	4.1%	0.5%	0.0255	74.2%
00555060702	MEGESTROL 40MG TABLET	26	0.2822	1.1021	25.6%	1.5%	0.6707	42.1%

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49884029001	MEGESTROL 40MG TABLET	8	0.3109	1.2300	25.3%	4.9%	0.6707	46.4%
00555060704	MEGESTROL 40MG TABLET	2	0.2360	1.0588	22.3%	2.5%	0.6707	35.2%
49884029005	MEGESTROL 40MG TABLET	2	0.2481	1.0608	23.4%	1.6%	0.6707	37.0%
00406112201	METHYLIN 10MG TABLET	15	0.1997	0.4772	41.9%	3.2%	0.4023	49.6%
00364047901	METHYLPHENIDATE 10MG TABLET	1	0.1768	0.4770	37.1%	0.0%	0.4023	43.9%
59772884101	METHYLPHENIDATE 10MG TABLET	12	0.1553	0.4716	32.9%	10.0%	0.4023	38.6%
00364056101	METHYLPHENIDATE 5MG TABLET	4	0.1811	0.3340	54.2%	9.4%	0.2877	62.9%
00378003210	METOPROLOL 50MG TABLET	7	0.0222	0.5443	4.1%	0.8%	0.0645	34.5%
00781122310	METOPROLOL 50MG TABLET	20	0.0188	0.4866	3.9%	0.3%	0.0645	29.1%
00781122301	METOPROLOL 50MG TABLET	43	0.0264	0.5116	5.2%	0.8%	0.0645	41.0%
00378055505	NAPROXEN 375MG TABLET	4	0.0579	0.9766	5.9%	0.3%	0.2142	27.0%
00378045105	NAPROXEN 500MG TABLET	38	0.0691	1.1928	5.8%	0.0%	0.1823	37.9%
00781116505	NAPROXEN 500MG TABLET	16	0.0789	1.1260	7.0%	0.4%	0.1823	43.3%
00781116510	NAPROXEN 500MG TABLET	1	0.1011	0.9856	10.3%	0.0%	0.1823	55.5%
00781116501	NAPROXEN 500MG TABLET	7	0.0841	1.1599	7.2%	0.6%	0.1823	46.1%
52544055228	NECON 1/35-28 TABLET	51	0.3920	0.9587	40.9%	2.8%	0.3828	102.4%
00172213160	NITROFURANTOIN MCR 100MG CP	31	0.3120	1.1785	26.5%	2.0%	0.8184	38.1%
00172213060	NITROFURANTOIN MCR 50MG CAP	27	0.1944	0.6778	28.7%	5.3%	0.5084	38.2%
00364250901	NORTRIPTYLINE HCL 25MG CAP	30	0.0398	0.8031	5.0%	0.4%	0.1496	26.6%
00364251001	NORTRIPTYLINE HCL 50MG CAP	22	0.0554	1.5180	3.7%	0.3%	0.1830	30.3%
50111045601	OXYBUTYRIN 5MG TABLET	36	0.0403	0.3859	10.4%	2.3%	0.1463	27.5%
50111045603	OXYBUTYRIN 5MG TABLET	5	0.0333	0.3350	9.9%	1.6%	0.1463	22.7%
38245022520	POTASSIUM CL 8MEQ TABLET SA	5	0.0338	0.1698	19.9%	1.3%	0.0765	44.2%
38245022510	POTASSIUM CL 8MEQ TABLET SA	11	0.0337	0.1716	19.6%	0.4%	0.0765	44.0%
61314063710	PREDNISOLONE AC 1% EYE DROP	50	0.9134	2.2000	41.5%	1.9%	1.6200	56.4%
61314063705	PREDNISOLONE AC 1% EYE DROP	40	0.9623	2.4060	40.0%	6.6%	1.8900	50.9%
00364046101	PREDNISONE 10MG TABLET	20	0.0239	0.0704	34.0%	3.8%	0.0449	53.2%
00364044201	PREDNISONE 20MG TABLET	21	0.0403	0.1424	28.3%	2.4%	0.0720	55.9%
00364021802	PREDNISONE 5MG TABLET	12	0.0107	0.0300	35.5%	6.0%	0.0240	44.4%
00364036601	PRIMIDONE 250MG TABLET	24	0.1731	0.6808	26.7%	8.5%	0.2816	61.5%

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00378511001	PROCHLORPERAZINE 10MG TAB	44	0.0768	0.8941	8.6%	1.5%	0.8092	9.5%
49884055001	PROCHLORPERAZINE 10MG TAB	2	0.3900	0.8950	43.6%	0.0%	0.8092	48.2%
00472150416	PROMETHAZINE 6.25MG/5ML SYR	55	0.0048	0.0194	24.9%	1.7%	0.0078	62.0%
00472163016	PROMETHAZINE W/DW SYRUP	98	0.0066	0.0221	29.8%	8.8%	0.0103	63.9%
59911582203	PROMETHAZINE W/DW SYRUP	31	0.0098	0.0196	49.9%	0.3%	0.0103	95.0%
00472162716	PROMETHAZINE/CODEINE SYRUP	122	0.0079	0.0370	21.4%	1.6%	0.0111	71.2%
00472162728	PROMETHAZINE/CODEINE SYRUP	31	0.0081	0.0206	39.3%	7.3%	0.0111	72.9%
59911581903	PROMETHAZINE/CODEINE SYRUP	90	0.0094	0.0364	25.8%	0.0%	0.0111	84.5%
00054465025	ROXICET 5/325 TABLET	16	0.0422	0.2573	16.4%	1.6%	0.0825	51.1%
00378214601	SPIRONOLACTONE 25MG TABLET	51	0.0974	0.4150	23.5%	2.1%	0.3351	29.1%
00378214605	SPIRONOLACTONE 25MG TABLET	17	0.0886	0.4064	21.8%	2.0%	0.3351	26.5%
00781159901	SPIRONOLACTONE 25MG TABLET	2	0.1212	0.3924	30.9%	0.0%	0.3351	36.2%
24208067004	SULFACETAMIDE 10% EYE DROPS	76	0.0730	0.2830	25.7%	4.3%	0.0969	75.4%
00093008905	SULFAMETHOXAZOLE/TMP DS TAB	6	0.0791	0.9032	8.8%	1.1%	0.0893	88.6%
53489014605	SULFAMETHOXAZOLE/TMP DS TAB	27	0.0649	0.8531	7.6%	1.2%	0.0893	72.7%
00472128516	SULFATRIM SUSPENSION	58	0.0087	0.0359	24.1%	2.1%	0.0224	38.6%
00083005230	TEGRETOL 100MG TABLET CHEW	14	0.2110	0.2540	83.1%	0.5%	0.1467	143.8%
00083002730	TEGRETOL 200MG TABLET	38	0.4050	0.4839	83.7%	0.8%	0.1275	317.6%
00083002740	TEGRETOL 200MG TABLET	2	0.4033	0.4782	84.3%	0.3%	0.1275	316.3%
59930167003	THEOPHYLLINE 300MG TAB SA	3	0.0272	0.1900	14.3%	2.3%	0.0815	33.3%
00364216901	THIOTHIXENE 10MG CAPSULE	9	0.0870	0.6010	14.5%	1.3%	0.3326	26.2%
00378501001	THIOTHIXENE 10MG CAPSULE	4	0.1248	0.6500	19.2%	6.1%	0.3326	37.5%
61314022715	TIMOLOL 0.5% EYE DROPS	57	0.3797	3.2080	11.8%	2.3%	1.0250	37.0%
61314022710	TIMOLOL 0.5% EYE DROPS	76	0.4135	3.2153	12.9%	2.3%	1.5195	27.2%
61314022705	TIMOLOL 0.5% EYE DROPS	23	0.5230	3.3197	15.8%	4.2%	2.3100	22.6%
50111043401	TRAZODONE 100MG TABLET	28	0.0546	0.4100	13.3%	0.3%	0.0974	56.0%
50111044101	TRAZODONE 150MG TABLET	10	0.1603	0.9446	17.0%	1.8%	0.4943	32.4%
59772317101	TRAZODONE 150MG TABLET	14	0.1236	0.9850	12.6%	0.3%	0.4943	25.0%
00472030180	TRIAMCINOLONE 0.1% CREAM	35	0.0232	0.0632	36.8%	11.2%	0.0302	77.0%
00414006436	TRIAMCINOLONE 0.1% CREAM	173	0.0182	0.0638	28.6%	0.6%	0.0302	60.4%

**Acquisition Cost Summary by Drug
Top 200 Multi-Source Drug Products with an FUL
Study of Medi-Cal Pharmacy Reimbursement**
(Limited to Observations from External Invoices)

NDC Number	Description	No. of Obs.	Average Actual Acquisition Cost	AWP	Average Acquisition Cost as % of AWP	Standard Deviation	FUL	Average Acquisition Cost as % of FUL
A	B	C	D	E	F	G	H	I
00168000480	TRIAMCINOLONE 0.1% CREAM	41	0.0201	0.0673	29.8%	0.8%	0.0302	66.5%
00781271510	TRIAMTERENE/HCTZ 50/25 CAP	14	0.0267	0.2690	9.9%	1.5%	0.1350	19.8%
00781254010	TRIAMTERENE/HCTZ 50/25 CAP	7	0.0290	0.2690	10.8%	1.8%	0.1350	21.5%
00781271501	TRIAMTERENE/HCTZ 50/25 CAP	34	0.0279	0.2796	10.0%	1.9%	0.1350	20.7%
00781254001	TRIAMTERENE/HCTZ 50/25 CAP	8	0.0336	0.2796	12.0%	2.7%	0.1350	24.9%
59762371804	TRIAZOLAM 0.25MG TABLET	30	0.1770	0.7060	25.1%	6.8%	0.5286	33.5%
00781103601	TRIFLUOPERAZINE 10MG TABLET	11	0.1696	1.5224	11.1%	2.2%	0.7133	23.8%
00781103201	TRIFLUOPERAZINE 2MG TABLET	9	0.1305	0.8024	16.3%	1.8%	0.4683	27.9%
00781103401	TRIFLUOPERAZINE 5MG TABLET	16	0.1536	1.0098	15.2%	1.9%	0.5631	27.3%
00003173745	TRIMOX 125MG/5ML SUSPENSION	51	0.0062	0.0274	22.7%	2.3%	0.0129	48.2%
00003010160	TRIMOX 250MG CAPSULE	15	0.0271	0.2370	11.4%	1.5%	0.0735	36.9%
00003173845	TRIMOX 250MG/5ML SUSPENSION	195	0.0088	0.0471	18.6%	2.1%	0.0185	47.5%
60432062116	VALPROIC ACID 250MG/5ML SYR	34	0.0210	0.1506	14.0%	3.0%	0.0594	35.3%
38245063307	VALPROIC ACID 250MG/5ML SYR	2	0.0208	0.1516	13.7%	0.0%	0.0594	35.0%
00003011675	VEETIDS 500MG TABLET	16	0.0289	0.0968	29.9%	1.5%	0.0818	35.3%
00003011650	VEETIDS 500MG TABLET	13	0.0349	0.1356	25.8%	6.2%	0.0818	42.7%
00172428660	VERAPAMIL 180MG TABLET SA	52	0.1022	1.1100	9.2%	1.6%	0.2878	35.7%
00172428070	VERAPAMIL 240MG TABLET SA	22	0.0882	1.1966	7.4%	0.6%	0.3113	28.3%
00172428060	VERAPAMIL 240MG TABLET SA	57	0.0941	1.2583	7.5%	1.2%	0.3113	30.2%
00378041105	VERAPAMIL 240MG TABLET SA	2	0.0964	1.2316	7.8%	0.5%	0.3113	31.0%

Explanation of Columns

- A:** National Drug Code Number
B: Product Description
C: Number of invoice line items matched.
D: Average acquisition cost per unit observed in the invoices.
E: Average of May 2000 and November 2000 AWP per unit weighted by quantity purchased.
F: Average acquisition cost as % of AWP.
G: Standard deviation of acquisition cost as a percent of AWP for each invoice line item.
H: Average of May 2000 and November 2000 Federal Upper Limit (FUL) per unit weighted by quantity purchased.
I: Average acquisition cost as % of FUL.

Exhibit 7

Acquisition Cost Summary by Drug Labeler (as a Percent of the AWP)
Single Source Drug Products - Top 30 Labelers Based on Medi-Cal Payments
Study of Medi-Cal Pharmacy Reimbursement
(Limited to Observations from External Invoices and Non-Direct Price Manufacturers)

Labler	Labler Code	Number of Drugs	Number of Observations	Mean Acquisition Cost as Percentage of the AWP	Standard Deviation
ELI LILLY & CO.	00002	19	1,024	82.1%	3.4%
SK BEECHAM PHAR	00007	39	2,838	80.7%	1.8%
PHARMACIA/UPJHN	00013	22	967	79.8%	0.6%
G.D. SEARLE CO	00025	16	1,729	83.7%	0.3%
BAYER,PHARM DIV	00026	15	835	80.6%	6.1%
ROCHE LABS.	00029	23	403	82.2%	5.0%
MC NEIL	00045	11	535	83.3%	0.3%
ORGANON PHARM.	00052	6	392	83.1%	1.0%
ROXANE LABS.	00054	9	78	80.0%	3.4%
DU PONT PHARMA	00056	1	51	83.9%	0.0%
ORTHO PHARM.	00062	12	762	83.7%	0.3%
ALCON LABS.	00065	17	1,075	80.6%	0.6%
RHON-POUL RORER	00075	10	566	80.0%	2.0%
NOVARTIS	00078	39	2,460	82.9%	1.4%
SCHERING CORP.	00085	24	2,137	84.3%	1.2%
BMS PRIMARYCARE	00087	26	2,748	82.6%	1.2%
BMS PRIMARYCARE	00087	26	2,748	82.6%	1.2%
HOECHST MAR ROU	00088	12	733	83.5%	0.3%
GLAXO PHARM	00173	31	1,387	83.6%	0.5%
ASTRA PHARM.	00186	17	1,338	83.3%	0.5%
TAP PHARM.	00300	9	711	81.6%	1.9%
ZENECA INC.	00310	14	690	81.7%	4.3%
FOREST PHARM	00456	14	594	79.0%	3.0%
BOEHRINGER ING.	00597	11	894	83.1%	0.8%
DISTA LABS.	00777	6	640	83.8%	0.8%
SERONO INC	44087	1	4	83.6%	0.0%
JANSSEN PHARM.	50458	24	1,150	83.2%	0.5%
IMMUNEX CORP	58406	2	26	80.0%	0.4%
PURDUE PHARMA L	59011	5	171	80.0%	0.4%
TAKEDA PHARM	64764	6	313	83.7%	0.0%
Total - All Labelers		796	43,218	81.7%	2.8%

Exhibit 8

Acquisition Cost Summary by Drug Labeler (as a Percent of the Direct Price)
Single Source Drug Products with a Direct Price
Study of Medi-Cal Pharmacy Reimbursement
(Limited to Observations from External Invoices)

Labler	Labler Code	Number of Drugs	Number of Observations	Mean		Standard Deviation	Approximate Percentage of Medi-Cal Pharmacy Payments	Approximate Percentage of Single Source Direct Price Drug Payments
				Acquisition Cost as	Percentage of the Direct Price			
ER Squibb and Sons Inc.	00003	9	664		98.3%	2.7%	1.7%	11.3%
Lederle Pharmaceutical	00005	5	60		100.4%	0.4%	0.0%	0.2%
Merck and Co Inc.	00006	57	2,763		100.8%	3.0%	5.1%	33.6%
Wyeth Ayerst Pharmaceuticals Inc.	00008	8	477		100.2%	0.3%	0.4%	2.8%
Pharmacia and Upjohn Co.	00009	16	491		99.9%	3.9%	0.3%	1.7%
Roerig Div. of Pfizer Inc.	00049	9	659		94.9%	0.3%	0.6%	3.9%
Pfizer Laboratories	00069	16	1,404		95.0%	2.4%	1.8%	11.8%
Parke-Davis and Company	00071	19	2,422		87.6%	0.8%	3.2%	21.2%
Abbot Laboratories	00074	12	754		94.9%	2.1%	2.0%	13.4%
Total		151	9,694		97.4%	5.1%	15.1%	100.0%

Pharmacy Acquisition Cost Survey Data
Statistical Summary of Acquisition Costs as a Percent of the Average Wholesale Price
Single Source Drug Products
Study of Medi-Cal Pharmacy Reimbursement

		General Statistics					Percentiles		95% Confidence Interval for Mean (based on Student t)				
Characteristic		Number of Observations	n: Number of Pharmacies / Drug Products	Mean (Unweighted)	Mean (Weighted by Medicaid Drug Utilization)	Standard Deviation	Standard Error of the Mean	20%	50%	80%	Lower Bound	Upper Bound	t Value (with n-1 degrees of freedom)
Distributions by Pharmacy ¹													
Single Source Drug Products (as % of the Average Wholesale Price) - Includes Internal Invoices													
All Pharmacies		137,230	487	83.5%	See Note (1)	1.3%	0.1%	82.4%	83.3%	84.9%	83.4%	83.6%	1.96
Single Source Drug Products (as % of the Average Wholesale Price) - External Invoices Only													
Institutional and Retail		43,218	272	82.8%	See Note (1)	1.2%	0.1%	82.1%	82.8%	83.7%	82.7%	83.0%	1.97
Institutional		2,804	18	82.1%	See Note (1)	1.4%	0.3%	81.0%	81.7%	83.0%	81.4%	82.8%	2.11
Retail		40,414	254	82.9%	See Note (1)	1.1%	0.1%	82.2%	82.8%	83.7%	82.8%	83.0%	1.97
Single Source Drug Products (as % of the Average Wholesale Price) - Retail Pharmacies Only - External Invoices Only													
Chain		9,789	28	82.1%	See Note (1)	0.6%	0.1%	81.5%	82.1%	82.2%	81.8%	82.3%	2.05
Independent		30,625	226	83.0%	See Note (1)	1.1%	0.1%	82.3%	82.9%	83.8%	82.9%	83.1%	1.97
Urban (In-state only)		31,472	217	82.9%	See Note (1)	1.1%	0.1%	82.3%	82.9%	83.8%	82.8%	83.1%	1.97
Rural (In-state only)		8,942	37	82.6%	See Note (1)	1.3%	0.2%	82.0%	82.3%	83.1%	82.2%	83.1%	2.03
Distributions by Drug Product ²													
Single Source Drug Products (as % of the Average Wholesale Price) - External Invoices Only													
All Pharmacies		43,218	796	81.7%	82.4%	2.8%	0.1%	80.1%	82.6%	83.7%	81.5%	81.9%	1.96
Institutional Pharmacies		2,804	493	80.5%	81.7%	4.2%	0.2%	79.3%	80.8%	83.3%	80.1%	80.9%	1.96
Retail Pharmacies		40,414	776	81.9%	82.5%	2.6%	0.1%	80.2%	83.0%	83.7%	81.7%	82.1%	1.96
Chain Retail Pharmacies		9,789	603	81.4%	81.9%	2.1%	0.1%	79.6%	82.5%	83.0%	81.2%	81.5%	1.96
Independent Retail Pharmacies		30,625	767	82.1%	82.7%	2.7%	0.1%	80.4%	83.2%	84.0%	81.9%	82.3%	1.96

1) Individual store means are weighted by Medi-Cal drug utilization, however, distributions of acquisition cost by store are not weighted

2) Individual drug means are not weighted, however, the mean of the distribution of acquisition cost by drug resulting from a weighted calculation is presented.

Pharmacy Acquisition Cost Survey Data
Statistical Summary of Acquisition Costs as a Percent of the Average Wholesale Price
Single Source Drug Products not Paid with a Direct Price
Study of Medi-Cal Pharmacy Reimbursement

	General Statistics						Percentiles			95% Confidence Interval for Mean (based on Student t)		
Characteristic	Number of Observations	n: Number of Pharmacies / Drug Products	Mean (Unweighted)	Mean (Weighted by Medicaid Drug Utilization)	Standard Deviation	Standard Error of the Mean	20%	50%	80%	Lower Bound	Upper Bound	t Value (with n-1 degrees of freedom)
Distributions by Pharmacy ¹												
Single Source Drug Products not Paid with a Direct Price (as % of the Average Wholesale Price) - Includes Internal Invoices												
All Pharmacies	104,732	482	84.0%	See Note (1)	1.2%	0.1%	82.9%	83.9%	85.4%	83.9%	84.1%	1.96
Single Source Drug Products not Paid with a Direct Price (as % of the Average Wholesale Price) - External Invoices Only												
Institutional and Retail	33,524	267	83.3%	See Note (1)	1.2%	0.1%	82.6%	83.3%	84.1%	83.2%	83.5%	1.97
Institutional	2,181	18	82.3%	See Note (1)	1.2%	0.3%	81.0%	82.0%	83.2%	81.7%	82.9%	2.11
Retail	31,343	249	83.4%	See Note (1)	1.1%	0.1%	82.7%	83.3%	84.2%	83.3%	83.5%	1.97
Single Source Drug Products not Paid with a Direct Price (as % of the Average Wholesale Price) - Retail Pharmacies Only - External Invoices Only												
Chain	7,383	28	82.6%	See Note (1)	0.6%	0.1%	82.1%	82.6%	82.7%	82.4%	82.9%	2.05
Independent	23,960	221	83.5%	See Note (1)	1.1%	0.1%	82.8%	83.4%	84.3%	83.4%	83.7%	1.97
Urban (In-state only)	24,518	212	83.5%	See Note (1)	1.1%	0.1%	82.7%	83.4%	84.3%	83.3%	83.6%	1.97
Rural (In-state only)	6,825	37	83.1%	See Note (1)	1.3%	0.2%	82.5%	82.9%	83.4%	82.7%	83.5%	2.03
Distributions by Drug Product ²												
Single Source Drug Products not Paid with a Direct Price (as % of the Average Wholesale Price) - External Invoices Only												
All Pharmacies	33,524	648	82.0%	82.9%	2.9%	0.1%	80.2%	83.2%	83.7%	81.7%	82.2%	1.96
Institutional Pharmacies	2,181	398	80.7%	82.1%	4.6%	0.2%	79.6%	81.7%	83.3%	80.2%	81.1%	1.97
Retail Pharmacies	31,343	629	82.2%	83.0%	2.8%	0.1%	80.3%	83.4%	83.8%	82.0%	82.4%	1.96
Chain Retail Pharmacies	7,383	479	81.7%	82.4%	2.1%	0.1%	79.7%	82.7%	83.1%	81.5%	81.9%	1.96
Independent Retail Pharmacies	23,960	620	82.3%	83.2%	2.8%	0.1%	80.5%	83.6%	84.0%	82.1%	82.6%	1.96

1) Individual store means are weighted by Medi-Cal drug utilization, however, distributions of acquisition cost by store are not weighted

2) Individual drug means are not weighted, however, the mean of the distribution of acquisition cost by drug resulting from a weighted calculation is presented.

Pharmacy Acquisition Cost Survey Data
Statistical Summary of Acquisition Costs as a Percent of the Average Wholesale Price
Single Source Drug Products Paid with a Direct Price
Study of Medi-Cal Pharmacy Reimbursement

	General Statistics						Percentiles		95% Confidence Interval for Mean (based on Student t)			
Characteristic	Number of Observations	n: Number of Pharmacies / Drug Products	Mean (Unweighted)	Mean (Weighted by Medicaid Drug Utilization)	Standard Deviation	Standard Error of the Mean	20%	50%	80%	Lower Bound	Upper Bound	t Value (with n-1 degrees of freedom)
Distributions by Pharmacy ¹												
Single Source Drug Products Paid with a Direct Price (as % of the Average Wholesale Price) - Includes Internal Invoices												
All Pharmacies	32,498	480	82.1%	See Note (1)	1.3%	0.1%	81.0%	81.7%	83.6%	82.0%	82.3%	1.96
Single Source Drug Products Paid with a Direct Price (as % of the Average Wholesale Price) - External Invoices Only												
Institutional and Retail	9,694	265	81.5%	See Note (1)	1.2%	0.1%	80.7%	81.3%	82.5%	81.4%	81.7%	1.97
Institutional	623	18	80.5%	See Note (1)	2.3%	0.5%	78.9%	79.7%	81.9%	79.4%	81.6%	2.11
Retail	9,071	247	81.6%	See Note (1)	1.1%	0.1%	80.7%	81.4%	82.5%	81.5%	81.7%	1.97
Single Source Drug Products Paid with a Direct Price (as % of the Average Wholesale Price) - Retail Pharmacies Only - External Invoices Only												
Chain	2,406	28	80.8%	See Note (1)	0.7%	0.1%	80.2%	80.8%	81.0%	80.5%	81.0%	2.05
Independent	6,665	219	81.7%	See Note (1)	1.1%	0.1%	80.8%	81.5%	82.5%	81.6%	81.8%	1.97
Urban (In-state only)	6,954	210	81.6%	See Note (1)	1.0%	0.1%	80.8%	81.4%	82.5%	81.5%	81.8%	1.97
Rural (In-state only)	2,117	37	81.4%	See Note (1)	1.4%	0.2%	80.6%	80.8%	82.0%	80.9%	81.8%	2.03
Distributions by Drug Product ²												
Single Source Drug Products Paid with a Direct Price (as % of the Average Wholesale Price) - External Invoices Only												
All Pharmacies	9,694	151	80.6%	80.9%	1.4%	0.1%	79.9%	80.2%	80.9%	80.4%	80.8%	1.98
Institutional Pharmacies	623	95	79.8%	80.2%	2.0%	0.2%	79.0%	80.0%	80.5%	79.4%	80.2%	1.99
Retail Pharmacies	9,071	150	80.7%	80.9%	1.4%	0.1%	80.0%	80.2%	80.9%	80.5%	80.9%	1.98
Chain Retail Pharmacies	2,406	126	80.1%	80.3%	1.2%	0.1%	79.4%	79.6%	79.8%	79.8%	80.3%	1.98
Independent Retail Pharmacies	6,665	149	80.9%	81.1%	1.5%	0.1%	80.2%	80.5%	81.2%	80.7%	81.2%	1.98

1) Individual store means are weighted by Medi-Cal drug utilization, however, distributions of acquisition cost by store are not weighted

2) Individual drug means are not weighted, however, the mean of the distribution of acquisition cost by drug resulting from a weighted calculation is presented.

Pharmacy Acquisition Cost Survey Data
Statistical Summary of Acquisition Costs as a Percent of the Average Wholesale Price
Multi-Source Drug Products without an FUL
Study of Medi-Cal Pharmacy Reimbursement

	General Statistics						Percentiles			95% Confidence Interval for Mean (based on Student t)		
Characteristic	Number of Observations	n: Number of Pharmacies / Drug Products	Mean (Unweighted)	Mean (Weighted by Medicaid Drug Utilization)	Standard Deviation	Standard Error of the Mean	20%	50%	80%	Lower Bound	Upper Bound	t Value (with n-1 degrees of freedom)
Distributions by Pharmacy ¹												
Multi-Source Drug Products without an FUL (as % of the Average Wholesale Price) - Includes Internal Invoices												
All Pharmacies	49,260	488	64.0%	See Note (1)	8.9%	0.4%	57.4%	64.3%	70.4%	63.2%	64.8%	1.96
Multi-Source Drug Products without an FUL (as % of the Average Wholesale Price) - External Invoices Only												
Institutional and Retail	14,704	273	64.6%	See Note (1)	10.8%	0.7%	57.0%	65.3%	72.4%	63.4%	65.9%	1.97
Institutional	1,108	18	57.0%	See Note (1)	15.9%	3.8%	43.1%	56.8%	68.4%	49.0%	64.9%	2.11
Retail	13,596	255	65.2%	See Note (1)	10.2%	0.6%	57.6%	65.9%	73.0%	63.9%	66.4%	1.97
Multi-Source Drug Products without an FUL (as % of the Average Wholesale Price) - Retail Pharmacies Only - External Invoices Only												
Chain	3,545	28	60.9%	See Note (1)	8.5%	1.6%	52.0%	60.0%	68.2%	57.6%	64.1%	2.05
Independent	10,051	227	65.7%	See Note (1)	10.2%	0.7%	58.9%	66.4%	73.8%	64.4%	67.1%	1.97
Urban (In-state only)	10,948	218	65.3%	See Note (1)	10.4%	0.7%	57.6%	66.0%	73.8%	63.9%	66.7%	1.97
Rural (In-state only)	2,648	37	64.6%	See Note (1)	8.4%	1.4%	55.1%	64.6%	70.4%	61.8%	67.3%	2.03
Distributions by Drug Product ²												
Multi-Source Drug Products without an FUL (as % of the Average Wholesale Price) - External Invoices Only												
All Pharmacies	14,704	669	44.7%	56.6%	28.9%	1.1%	13.7%	42.0%	80.2%	42.5%	46.9%	1.96
Institutional Pharmacies	1,108	330	46.9%	59.0%	27.6%	1.5%	16.2%	44.9%	80.0%	43.9%	49.9%	1.97
Retail Pharmacies	13,596	649	45.5%	57.5%	29.1%	1.1%	13.9%	43.5%	80.3%	43.3%	47.8%	1.96
Chain Retail Pharmacies	3,545	430	47.8%	59.9%	28.9%	1.4%	14.9%	49.3%	79.8%	45.1%	50.6%	1.97
Independent Retail Pharmacies	10,051	614	46.6%	58.2%	28.8%	1.2%	14.7%	44.1%	80.5%	44.3%	48.9%	1.96

1) Individual store means are weighted by Medi-Cal drug utilization, however, distributions of acquisition cost by store are not weighted

2) Individual drug means are not weighted, however, the mean of the distribution of acquisition cost by drug resulting from a weighted calculation is presented.

Pharmacy Acquisition Cost Survey Data
Statistical Summary of Acquisition Costs as a Percent of the Average Wholesale Price
Multi-Source Drug Products with an FUL
Study of Medi-Cal Pharmacy Reimbursement

	General Statistics						Percentiles			95% Confidence Interval for Mean (based on Student t)		
Characteristic	Number of Observations	n: Number of Pharmacies / Drug Products	Mean (Unweighted)	Mean (Weighted by Medicaid Drug Utilization)	Standard Deviation	Standard Error of the Mean	20%	50%	80%	Lower Bound	Upper Bound	t Value (with n-1 degrees of freedom)
Distributions by Pharmacy ¹												
Multi-Source Drug Products with an FUL (as % of the Average Wholesale Price) - Includes Internal Invoices												
All Pharmacies	24,966	473	14.6%	See Note (1)	6.1%	0.3%	11.0%	13.0%	17.5%	14.1%	15.2%	1.97
Multi-Source Drug Products with an FUL (as % of the Average Wholesale Price) - External Invoices Only												
Institutional and Retail	6,428	258	14.1%	See Note (1)	6.6%	0.4%	10.6%	13.1%	16.6%	13.3%	14.9%	1.97
Institutional	460	17	13.9%	See Note (1)	5.4%	1.3%	9.4%	12.4%	16.0%	11.1%	16.7%	2.12
Retail	5,968	241	14.1%	See Note (1)	6.7%	0.4%	10.6%	13.1%	16.6%	13.3%	15.0%	1.97
Multi-Source Drug Products with an FUL (as % of the Average Wholesale Price) - Retail Pharmacies Only - External Invoices Only												
Chain	1,637	28	13.6%	See Note (1)	2.6%	0.5%	11.6%	12.7%	15.2%	12.6%	14.6%	2.05
Independent	4,331	213	14.2%	See Note (1)	7.1%	0.5%	10.5%	13.2%	17.0%	13.3%	15.2%	1.97
Urban (In-state only)	4,886	205	13.9%	See Note (1)	6.8%	0.5%	10.5%	13.0%	16.4%	13.0%	14.8%	1.97
Rural (In-state only)	1,082	36	15.5%	See Note (1)	6.5%	1.1%	11.9%	13.7%	17.4%	13.3%	17.7%	2.03
Distributions by Drug Product ²												
Multi-Source Drug Products with an FUL (as % of the Average Wholesale Price) - External Invoices Only												
All Pharmacies	6,428	233	17.5%	12.7%	14.2%	0.9%	7.2%	13.3%	25.7%	15.7%	19.4%	1.97
Institutional Pharmacies	460	136	14.5%	11.9%	11.2%	1.0%	6.1%	11.2%	21.1%	12.6%	16.4%	1.98
Retail Pharmacies	5,968	231	17.5%	12.7%	14.2%	0.9%	7.0%	13.3%	25.8%	15.7%	19.4%	1.97
Chain Retail Pharmacies	1,637	180	18.8%	13.5%	15.0%	1.1%	7.2%	14.6%	26.6%	16.6%	21.0%	1.97
Independent Retail Pharmacies	4,331	226	17.6%	12.8%	14.3%	0.9%	7.0%	13.3%	26.0%	15.7%	19.5%	1.97

1) Individual store means are weighted by Medi-Cal drug utilization, however, distributions of acquisition cost by store are not weighted

2) Individual drug means are not weighted, however, the mean of the distribution of acquisition cost by drug resulting from a weighted calculation is presented.

Pharmacy Acquisition Cost Survey Data
Statistical Summary of Acquisition Costs as a Percent of the Average Wholesale Price
Multi-Source Drug Products without an FUL and not Paid with a Direct Price
Study of Medi-Cal Pharmacy Reimbursement

	General Statistics						Percentiles			95% Confidence Interval for Mean (based on Student t)		
Characteristic	Number of Observations	n: Number of Pharmacies / Drug Products	Mean (Unweighted)	Mean (Weighted by Medicaid Drug Utilization)	Standard Deviation	Standard Error of the Mean	20%	50%	80%	Lower Bound	Upper Bound	t Value (with n-1 degrees of freedom)
Distributions by Pharmacy ¹												
Multi-Source Drug Products without an FUL and not Paid with a Direct Price (as % of the Average Wholesale Price) - Includes Internal Invoices	44,668	482	59.6%	See Note (1)	9.8%	0.4%	52.8%	59.2%	66.8%	58.7%	60.4%	1.96
All Pharmacies												
Multi-Source Drug Products without an FUL and not Paid with a Direct Price (as % of the Average Wholesale Price) - External Invoices Only	13,026	267	60.3%	See Note (1)	12.0%	0.7%	51.8%	60.5%	70.0%	58.9%	61.7%	1.97
Institutional and Retail												
Institutional	966	18	53.0%	See Note (1)	15.7%	3.7%	39.0%	54.5%	65.8%	45.1%	60.8%	2.11
Retail	12,060	249	60.8%	See Note (1)	11.5%	0.7%	61.2%	70.0%		59.4%	62.3%	1.97
Multi-Source Drug Products without an FUL and not Paid with a Direct Price (as % of the Average Wholesale Price) - Retail Pharmacies Only - External Invoices Only	3,223	28	56.6%	See Note (1)	9.3%	1.8%	47.0%	55.1%	64.0%	53.0%	60.2%	2.05
Chain	8,837	221	61.4%	See Note (1)	11.7%	0.8%	53.3%	62.4%	70.3%	59.8%	62.9%	1.97
Independent	9,717	213	60.9%	See Note (1)	11.9%	0.8%	51.9%	61.2%	70.3%	59.3%	62.5%	1.97
Urban (In-state only)	2,343	36	60.5%	See Note (1)	8.8%	1.5%	52.2%	59.6%	66.9%	57.6%	63.5%	2.03
Rural (In-state only)												
Distributions by Drug Product ²												
Multi-Source Drug Products without an FUL and not Paid with a Direct Price (as % of the Average Wholesale Price) - External Invoices Only	13,026	625	42.9%	53.0%	28.4%	1.1%	13.3%	39.0%	80.2%	40.7%	45.1%	1.96
All Pharmacies												
Institutional Pharmacies	966	301	44.9%	55.1%	27.1%	1.6%	15.7%	41.4%	79.4%	41.8%	48.0%	1.97
Retail Pharmacies	12,060	606	43.6%	53.8%	28.6%	1.2%	13.5%	40.5%	80.3%	41.3%	45.9%	1.96
Chain Retail Pharmacies	3,223	400	45.8%	55.8%	28.6%	1.4%	14.2%	45.0%	79.8%	43.0%	48.6%	1.97
Independent Retail Pharmacies	8,837	571	44.6%	54.5%	28.4%	1.2%	14.4%	41.8%	80.4%	42.3%	47.0%	1.96

1) Individual store means are weighted by Medi-Cal drug utilization, however, distributions of acquisition cost by store are not weighted

2) Individual drug means are not weighted, however, the mean of the distribution of acquisition cost by drug resulting from a weighted calculation is presented.

Pharmacy Acquisition Cost Survey Data
Statistical Summary of Acquisition Costs as a Percent of the Average Wholesale Price
Multi-Source Drug Products without an FUL and Paid with a Direct Price
Study of Medi-Cal Pharmacy Reimbursement

	General Statistics						Percentiles			95% Confidence Interval for Mean (based on Student t)		
Characteristic	Number of Observations	n: Number of Pharmacies / Drug Products	Mean (Unweighted)	Mean (Weighted by Medicaid Drug Utilization)	Standard Deviation	Standard Error of the Mean	20%	50%	80%	Lower Bound	Upper Bound	t Value (with n-1 degrees of freedom)
Distributions by Pharmacy ¹												
Multi-Source Drug Products without an FUL and Paid with a Direct Price (as % of the Average Wholesale Price) - Includes Internal Invoices	4,592	454	80.3%	See Note (1)	4.8%	0.2%	80.0%	80.9%	82.4%	79.8%	80.7%	1.97
All Pharmacies												
Multi-Source Drug Products without an FUL and Paid with a Direct Price (as % of the Average Wholesale Price) - External Invoices Only	1,678	240	79.8%	See Note (1)	5.4%	0.3%	79.5%	80.5%	82.2%	79.1%	80.5%	1.97
Institutional	142	16	76.1%	See Note (1)	11.7%	2.9%	75.4%	78.6%	80.6%	69.9%	82.4%	2.13
Retail	1,536	224	80.1%	See Note (1)	4.5%	0.3%	79.6%	80.5%	82.2%	79.5%	80.7%	1.97
Multi-Source Drug Products without an FUL and Paid with a Direct Price (as % of the Average Wholesale Price) - Retail Pharmacies Only - External Invoices Only	322	28	78.8%	See Note (1)	2.6%	0.5%	76.4%	79.5%	80.7%	77.8%	79.8%	2.05
Chain	1,214	196	80.2%	See Note (1)	4.7%	0.3%	80.0%	80.6%	82.4%	79.6%	80.9%	1.97
Independent	1,231	191	80.2%	See Note (1)	4.8%	0.3%	79.6%	80.5%	82.4%	79.5%	80.8%	1.97
Urban (In-state only)												
Rural (In-state only)	305	33	79.6%	See Note (1)	3.0%	0.5%	79.4%	80.3%	80.9%	78.5%	80.6%	2.04
Distributions by Drug Product ²												
Multi-Source Drug Products without an FUL and Paid with a Direct Price (as % of the Average Wholesale Price) - External Invoices Only	1,678	44	70.5%	76.0%	23.0%	3.5%	66.6%	80.0%	80.3%	63.6%	77.5%	2.02
All Pharmacies												
Institutional Pharmacies	142	29	67.9%	74.6%	24.1%	4.5%	55.3%	78.5%	80.1%	58.7%	77.0%	2.05
Retail Pharmacies	1,536	43	72.6%	76.9%	20.8%	3.2%	79.6%	80.1%	80.4%	66.3%	79.0%	2.02
Chain Retail Pharmacies	322	30	75.1%	78.6%	16.2%	3.0%	79.3%	79.6%	79.8%	69.1%	81.1%	2.05
Independent Retail Pharmacies	1,214	43	72.7%	77.0%	20.8%	3.2%	79.7%	80.3%	80.6%	66.3%	79.2%	2.02

1) Individual store means are weighted by Medi-Cal drug utilization, however, distributions of acquisition cost by store are not weighted

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Pharmacy Acquisition Cost Survey Data
Statistical Summary of Acquisition Costs as a Percent of the Direct Price
Single Source Drug Products Paid with a Direct Price
Study of Medi-Cal Pharmacy Reimbursement

Characteristic	General Statistics						Percentiles			95% Confidence Interval for Mean (based on Student t)	
	Number of Observations	n: Number of Pharmacies / Drug Products	Mean (Unweighted)	Mean (Weighted by Medicaid Drug Utilization)	Standard Deviation	Standard Error of the Mean	20%	50%	80%	Lower Bound	Upper Bound
Distributions by Pharmacy¹											
Single Source Drug Products Paid with a Direct Price (as % of the Direct Price) - Includes Internal Invoices	32,498	480	95.4%	See Note (1)	2.1%	0.1%					
All Pharmacies							93.8%	95.5%	97.0%	95.2%	95.6%
Distributions by Pharmacy¹											
Single Source Drug Products Paid with a Direct Price (as % of the Direct Price) - External Invoices Only	9,694	265	94.5%	See Note (1)	2.3%	0.1%					
Institutional and Retail							92.8%	94.4%	95.9%	94.2%	94.8%
Institutional	623	18	93.6%	See Note (1)	3.2%	0.7%	90.8%	92.9%	95.1%	92.0%	95.1%
Retail	9,071	247	94.6%	See Note (1)	2.2%	0.1%	93.1%	94.5%	95.9%	94.3%	94.9%
Distributions by Pharmacy¹											
Single Source Drug Products Paid with a Direct Price (as % of the Direct Price) - Retail Pharmacies Only - External Invoices Only	2,406	28	94.1%	See Note (1)	1.1%	0.2%					
Chain							93.5%	94.0%	94.7%	93.7%	94.6%
Independent	6,665	219	94.6%	See Note (1)	2.3%	0.2%	93.0%	94.6%	96.1%	94.3%	95.0%
Urban (In-state only)	6,954	210	94.7%	See Note (1)	2.3%	0.2%	93.1%	94.7%	96.1%	94.4%	95.0%
Rural (In-state only)	2,117	37	93.8%	See Note (1)	1.9%	0.3%	92.6%	93.9%	94.7%	93.1%	94.4%
Distributions by Drug Product²											
Single Source Drug Products Paid with a Direct Price (as % of the Direct Price) - External Invoices Only	9,694	151	97.4%	95.9%	5.1%	0.4%					
All Pharmacies							95.0%	99.9%	100.5%	96.6%	98.2%
Institutional Pharmacies	623	95	96.4%	94.8%	8.0%	0.8%	92.0%	98.6%	100.1%	94.8%	98.0%
Retail Pharmacies	9,071	150	97.5%	96.0%	4.8%	0.4%	95.1%	100.0%	100.5%	96.7%	98.2%
Chain Retail Pharmacies	2,406	126	96.5%	95.3%	4.7%	0.4%	94.3%	99.2%	99.6%	95.7%	97.4%
Independent Retail Pharmacies	6,665	149	97.7%	96.2%	4.8%	0.4%	95.4%	100.2%	100.8%	96.9%	98.5%

1) Individual store means are weighted by Medi-Cal drug utilization, however, distributions of acquisition cost by store are not weighted

2) Individual drug means are not weighted, however, the mean of the distribution of acquisition cost by drug resulting from a weighted calculation is presented.

Pharmacy Acquisition Cost Survey Data
Statistical Summary of Acquisition Costs as a Percent of the Direct Price
Multi-Source Drug Products without an FUL and Paid with a Direct Price
Study of Medi-Cal Pharmacy Reimbursement

	General Statistics						Percentiles		95% Confidence Interval for Mean (based on Student t)			
Characteristic	Number of Observations	n: Number of Pharmacies / Drug Products	Mean (Weighted by Medicaid Drug Utilization)		Standard Deviation	Standard Error of the Mean	20%	50%	80%	Lower Bound	Upper Bound	t Value (with n-1 degrees of freedom)
			Mean (Unweighted)	Mean (Weighted by Medicaid Drug Utilization)								
Distributions by Pharmacy ¹												
Multi-Source Drug Products without an FUL and Paid with a Direct Price (as % of the Direct Price) - Includes Internal Invoices												
All Pharmacies	4,592	454	95.5%	See Note (1)	6.7%	0.3%	91.9%	96.7%	100.0%	94.9%	96.1%	1.97
Multi-Source Drug Products without an FUL and Paid with a Direct Price (as % of the Direct Price) - External Invoices Only												
Institutional and Retail	1,678	240	93.7%	See Note (1)	7.0%	0.5%	90.5%	95.1%	98.3%	92.8%	94.6%	1.97
Institutional	142	16	90.7%	See Note (1)	13.5%	3.4%	88.3%	93.6%	96.7%	83.5%	97.9%	2.13
Retail	1,536	224	94.0%	See Note (1)	6.3%	0.4%	90.5%	95.2%	98.3%	93.1%	94.8%	1.97
Multi-Source Drug Products without an FUL and Paid with a Direct Price (as % of the Direct Price) - Retail Pharmacies Only - External Invoices Only												
Chain	322	28	92.4%	See Note (1)	3.9%	0.7%	88.1%	92.5%	95.6%	90.9%	93.9%	2.05
Independent	1,214	196	94.2%	See Note (1)	6.6%	0.5%	90.6%	95.5%	98.8%	93.2%	95.1%	1.97
Urban (In-state only)	1,231	191	93.8%	See Note (1)	6.5%	0.5%	90.4%	95.0%	98.3%	92.9%	94.8%	1.97
Rural (In-state only)	305	33	94.6%	See Note (1)	4.9%	0.9%	90.8%	96.0%	98.2%	92.8%	96.3%	2.04
Distributions by Drug Product ²												
Multi-Source Drug Products without an FUL and Paid with a Direct Price (as % of the Direct Price) - External Invoices Only												
All Pharmacies	1,678	44	82.7%	90.4%	28.5%	4.3%	67.9%	95.0%	100.0%	74.0%	91.4%	2.02
Institutional Pharmacies	142	29	79.0%	88.7%	30.1%	5.6%	54.7%	92.1%	100.0%	67.5%	90.4%	2.05
Retail Pharmacies	1,536	43	85.2%	91.4%	26.1%	4.0%	80.8%	95.3%	100.0%	77.1%	93.2%	2.02
Chain Retail Pharmacies	322	30	87.8%	93.4%	21.8%	4.0%	87.3%	94.5%	99.4%	79.7%	96.0%	2.05
Independent Retail Pharmacies	1,214	43	85.3%	91.6%	26.2%	4.0%	80.8%	95.5%	100.1%	77.2%	93.3%	2.02

1) Individual store means are weighted by Medi-Cal drug utilization, however, distributions of acquisition cost by store are not weighted

2) Individual drug means are not weighted, however, the mean of the distribution of acquisition cost by drug resulting from a weighted calculation is presented.

Pharmacy Acquisition Cost Survey Data
Statistical Summary of Acquisition Costs as a Percent of the Federal Upper Limit
Multi-Source Drug Products with an FUL
Study of Medi-Cal Pharmacy Reimbursement

	General Statistics					Percentiles			95% Confidence Interval for Mean (based on Student t)		
Characteristic	Number of Observations	n: Number of Pharmacies / Drug Products	Mean (Unweighted)	Mean (Weighted by Medicaid Drug Utilization)	Standard Error of the Mean	20%	50%	80%	Lower Bound	Upper Bound	t Value (with n-1 degrees of freedom)
Distributions by Pharmacy¹											
Multi-Source Drug Products with an FUL (as % of the Federal Upper Limit) - Includes Internal Invoices											
All Pharmacies	24,966	473	45.0%	See Note (1)	16.2%	37.4%	42.6%	51.1%	43.5%	46.5%	1.97
Multi-Source Drug Products with an FUL (as % of the Federal Upper Limit) - External Invoices Only											
Institutional and Retail	6,428	258	44.2%	See Note (1)	20.4%	34.9%	40.7%	49.7%	41.7%	46.7%	1.97
Institutional	460	17	37.4%	See Note (1)	9.4%	28.1%	34.5%	44.6%	32.6%	42.2%	2.12
Retail	5,968	241	44.6%	See Note (1)	20.9%	35.3%	41.0%	50.5%	42.0%	47.3%	1.97
Multi-Source Drug Products with an FUL (as % of the Federal Upper Limit) - Retail Pharmacies Only - External Invoices Only											
Chain	1,637	28	42.1%	See Note (1)	8.5%	35.9%	38.7%	48.8%	38.8%	45.4%	2.05
Independent	4,331	213	45.0%	See Note (1)	22.0%	35.2%	41.5%	50.5%	42.0%	48.0%	1.97
Urban (In-state only)	4,886	205	43.8%	See Note (1)	21.6%	35.0%	40.5%	48.5%	40.9%	46.8%	1.97
Rural (In-state only)	1,082	36	49.2%	See Note (1)	15.9%	37.8%	46.5%	55.2%	43.8%	54.6%	2.03
Distributions by Drug Product²											
Multi-Source Drug Products with an FUL (as % of the Federal Upper Limit) - External Invoices Only											
All Pharmacies	6,428	233	44.7%	38.7%	33.3%	24.2%	38.9%	56.7%	40.4%	49.0%	1.97
Institutional Pharmacies	460	136	40.5%	35.6%	31.4%	22.1%	34.8%	49.9%	35.2%	45.9%	1.98
Retail Pharmacies	5,968	231	45.0%	38.9%	33.7%	24.6%	39.7%	56.7%	40.7%	49.4%	1.97
Chain Retail Pharmacies	1,637	180	48.6%	40.6%	39.7%	25.6%	41.2%	62.7%	42.8%	54.5%	1.97
Independent Retail Pharmacies	4,331	226	44.7%	38.9%	33.3%	24.6%	39.5%	56.7%	40.3%	49.0%	1.97

1) Individual store means are weighted by Medi-Cal drug utilization, however, distributions of acquisition cost by store are not weighted

2) Individual drug means are not weighted, however, the mean of the distribution of acquisition cost by drug resulting from a weighted calculation is presented.

Pharmacy Acquisition Cost Survey Data
Statistical Summary of Acquisition Costs as a Percent of the California Maximum Allowable Ingredient Cost
Multi-Source Drug Products without an FUL
Study of Medi-Cal Pharmacy Reimbursement

	General Statistics						Percentiles			95% Confidence Interval for Mean (based on Student t)		
Characteristic	Number of Observations	n: Number of Pharmacies / Drug Products	Mean (Unweighted)	Mean (Weighted by Medicaid Drug Utilization)	Standard Deviation	Standard Error of the Mean	20%	50%	80%	Lower Bound	Upper Bound	t Value (with n-1 degrees of freedom)
Distributions by Pharmacy ¹												
Multi-Source Drug Products without an FUL (as % of the California Maximum Allowable Ingredient Cost) - Includes Internal Invoices	4,063	424	34.4%	See Note (1)	36.4%	1.8%	20.8%	25.6%	43.2%	30.9%	37.8%	1.97
All Pharmacies												
Multi-Source Drug Products without an FUL (as % of the California Maximum Allowable Ingredient Cost) - External Invoices Only	1,019	216	39.1%	See Note (1)	49.2%	3.4%	20.0%	27.5%	45.9%	32.5%	45.7%	1.97
Institutional and Retail												
Institutional	69	14	38.6%	See Note (1)	14.7%	3.9%	24.3%	36.7%	48.6%	30.2%	47.1%	2.16
Retail	950	202	39.1%	See Note (1)	50.8%	3.6%	20.0%	26.8%	45.9%	32.0%	46.1%	1.97
Multi-Source Drug Products without an FUL (as % of the California Maximum Allowable Ingredient Cost) - Retail Pharmacies Only - External Invoices Only												
Chain	301	27	26.6%	See Note (1)	11.2%	2.1%	18.2%	22.6%	34.8%	22.2%	31.0%	2.06
Independent	649	175	41.0%	See Note (1)	54.2%	4.1%	20.5%	27.7%	46.2%	32.9%	49.1%	1.97
Urban (In-state only)	767	170	39.8%	See Note (1)	54.9%	4.2%	20.0%	26.5%	45.9%	31.5%	48.1%	1.97
Rural (In-state only)	183	32	35.2%	See Note (1)	16.2%	2.9%	20.8%	30.2%	48.5%	29.4%	41.1%	2.04
Distributions by Drug Product ²												
Multi-Source Drug Products without an FUL (as % of the California Maximum Allowable Ingredient Cost) - External Invoices Only												
All Pharmacies	1,019	131	85.2%	50.2%	140.3%	12.3%	17.5%	42.8%	71.7%	61.0%	109.5%	1.98
Institutional Pharmacies	69	35	49.3%	41.3%	60.9%	10.3%	19.0%	41.2%	53.5%	28.4%	70.2%	2.03
Retail Pharmacies	950	127	86.3%	50.6%	142.2%	12.6%	17.5%	42.8%	72.2%	61.3%	111.3%	1.98
Chain Retail Pharmacies	301	75	72.5%	47.9%	129.3%	14.9%	15.2%	34.8%	61.5%	42.7%	102.2%	1.99
Independent Retail Pharmacies	649	107	95.8%	52.3%	151.9%	14.7%	18.1%	45.4%	76.5%	66.7%	124.9%	1.98

1) Individual store means are weighted by Medi-Cal drug utilization, however, distributions of acquisition cost by store are not weighted

2) Individual drug means are not weighted, however, the mean of the distribution of acquisition cost by drug resulting from a weighted calculation is presented.